

2005

Hutt Valley District Health Board



30 JUNE 2005 FINANCIAL REPORT





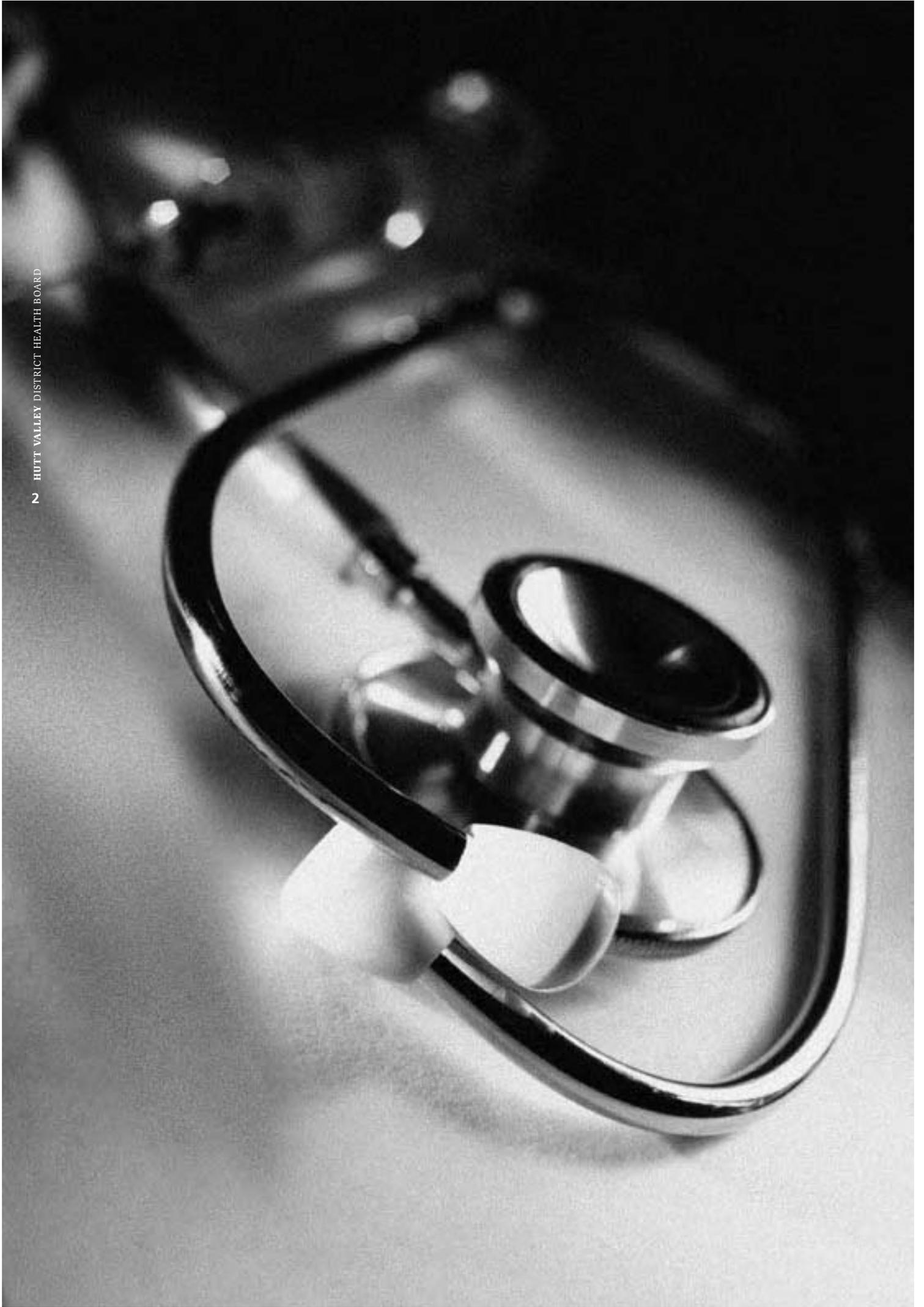
VISION: TO BE NEW
ZEALAND'S FOREMOST
DISTRICT HEALTH BOARD
IN OPTIMISING THE HEALTH
AND WELL-BEING OF OUR
COMMUNITY.

Highlights at a Glance

- The Minister of Health, the Hon. Annette King, opened our renovated plastic and burns ward.
- We established Primary Health Organisations throughout the Hutt Valley.
- We opened a pilot dental care unit for people on low incomes at Whai Oranga O Te Iwi medical centre in Wainuiomata.
- We started implementing the Maori Health and Pacific Health plans to improve the health of these two groups, which is, on average, much worse than that of other groups.
- We established an improved diabetes programme.
- Our Board committed to buying new CT and MRI scanners for Hutt Hospital.
- We started to plan to increase the number of operating theatres at Hutt Hospital.
- We completed over 240 hip and knee replacements at Hutt Hospital.



WE COMPLETED OVER
240 HIP AND KNEE
REPLACEMENTS AT HUTT
HOSPITAL.



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THE HUTT VALLEY DHB AS
AN ORGANISATION EMPLOYS
1800 PEOPLE.

Hutt Valley DHB directory

AS AT 30 JUNE 2005

Head Office

Pilmuir House, Pilmuir Street
Lower Hutt

Bankers

Bank of New Zealand

Postal Address

Private Bag 31-907
Lower Hutt

Website Address

www.huttvalleydhb.org.nz

Auditor

Audit New Zealand
Wellington

On behalf of the Controller
and Auditor-General

Hutt Valley DHB People

Board Members

The Board consists of eleven members, seven elected and four appointed by the Minister of Health including a chair and a deputy chair.

Peter Glensor, Chair

Sharron Cole, Deputy Chair

Katy Austin

Pat Christianson

Chris Cunningham

Keith Hindle

Ken Laban

Dr Catherine Love

Hon Peter McCardle

David Ogden

Ray Wallace

Chief Executive

Chai Chuah

Committee Members

The membership of the committees is as follows.

Hospital Advisory Committee

Sharron Cole (*Chair*)

Pat Christianson

Chris Cunningham

Peter Glensor

Peter McCardle

Ray Wallace

* Keriatia Stuart

Community and Public Health Advisory Committee

Katy Austin (*Chair*)

Peter Glensor

Dr Catherine Love

Keith Hindle

Ken Laban

David Ogden

* Gill Alcorn

* Lyndsay Fortune

* Maree Tukukino

* Muriel Tunoho

* Iunita Vaofusi

Disability Support Advisory Committee

Dr Catherine Love (*Chair*)

Peter Glensor

Pat Christianson

Chris Cunningham

Ray Wallace

* Piki Carroll

* Warick Dunn

* Diane Rodger

* John Ryall

* Fuao Stowers

Finance, Property and Audit Committee

Keith Hindle (*Chair*)

Peter Glensor

Peter McCardle

Sharron Cole

* David Ogden

* Tupu Araithi

Executive Management Team

Chai Chuah

Chief Executive

Bridget Allan

Director, Planning, Funding
and Public Health

Patrick Hussey

Chief Financial Officer

Warrick Frater

Chief Operating Officer

David Graham

General Manager Communications

Siloma Masina

Pacific Peoples' Health Advisor

Toni Dal Din

Director of Nursing

Dr Robert Logan

Director of Medicine

Kuini Puketapu

Maori Health Advisor

Fiona McCarthy

Human Resources Manager

Michael Hundleby

General Counsel

Cheryll Graham

Disability Advisor

* Co-opted Members

Statement of Purpose

Vision, Mission and Values

The Board has established the following vision, mission and values for Hutt Valley DHB.

Vision

To be New Zealand's foremost District Health Board in optimising the health and well-being of our community.

Mission

To excel in the way we consult, communicate, plan and provide health services to our community.

Values

Working together: with our providers, community groups and other agencies;

Leadership: within our community and through setting a positive example;

Respect: for each other and the rights of individuals;

Communicating effectively: with our community, with our staff and our clients;

Caring: for our community and for each other; and

Excellence: in all that we do.

Hutt Valley DHB Profile

The Hutt Valley DHB is responsible for planning, funding and providing government-funded health care and disability support services for the 139,000 people who live in the Hutt Valley. The Hutt Valley DHB as an organisation employs 1800 people, most of whom work for Hutt Hospital and our community and regional health services.

This is the part of the Hutt Valley DHB that we refer to as the 'provider arm'.

A Board comprising 11 people, of whom seven are elected by the community and four appointed by the Minister of Health, has strategic oversight or governance of the Hutt Valley DHB. The Board has responsibility for delivering on local and national health

objectives within a current annual budget of approximately \$258 million.

The Hutt Valley DHB has been in existence since 1 January 2001. Over the past year it has provided a wide range of services and implemented a number of initiatives detailed in this report to meet its commitment to:

- Improve, promote and protect the health of communities within the Hutt Valley
- Reduce health disparities by improving health outcomes for Maori and other population groups
- Encourage community participation in health improvement, and in planning for the provision

of health services and any significant changes to the provision of health services

- Ensure effective care or support of those in need of personal health services or disability support
- Promote the inclusion and participation in society of people with disabilities
- Better coordinate health services in the Hutt Valley; for example, GP and hospital-based services.

This has involved buying services from a wide range of health and disability service providers, including GPs, Maori and Pacific Island health providers, mental health providers, rest homes, pharmacies, private laboratories, hospitals.

Board Members' Report

This is the Hutt Valley DHB's statutory report which covers the 12 month period from 1 July 2004 to 30 June 2005.

Principal Activities

Hutt Valley DHB is responsible for funding all local personal health, mental health, Maori health and Pacific peoples' health services. To meet this responsibility the Board places considerable emphasis on broad-based consultation with the community and key stakeholders.

Hutt Valley DHB's public health services operate from sites in Porirua, Wellington and the Hutt Valley. The community mental health services have sites situated in the Hutt Valley and certain physiotherapy services that are provided from an Upper Hutt base. In addition, it contracts local providers to deliver a wide range of primary and community health services to the people of the Hutt Valley.

At the secondary level, Hutt Hospital provides the specialities of medicine, surgery, mental health, child health, maternity and public health. Within that general description are specialist services in burns, plastic and maxillo-facial surgery, Rheumatology, coronary care, intensive care, radiology and rehabilitation, a hospital dental service and an associated child oral health service.

Committees of the Board

The Board has three statutory committees to provide advice in key areas. They are the Community and Public Health Advisory Committee, the Disability Support Advisory Committee and the Hospital Advisory Committee. The Board has also established a Finance and Audit Committee.

Board Members' Interests

There have been no financial transactions during the period which require Board Members to declare an interest. Hutt Valley DHB has arranged policies for Board Members' liability insurance to ensure that, generally, Board Members will incur no monetary loss as a result of actions they undertake in their capacity as Board Members. Certain actions are specifically excluded, for example, penalties and fines imposed in respect of breaches of law.

Board Members' Remuneration

During the period the following remuneration was paid to the Board Members of the Hutt Valley DHB. [refer to table 1A & 1B]

Remuneration of Employees

The number of employees (excluding Board Members) whose annual income was within the specified bands is as follows:

Chief Executive's remuneration was in the \$290,000-\$299,999 bracket. (2004: \$240,000-\$249,000).

Of the 81 employees shown below, 67 are medical or dental employees (June 2004: 62).

If the remuneration of part-time employees were grossed up to an FTE basis, the total number with salaries of \$100,000 or more would be 136, compared to the actual number of 81. [refer to table 2]

Termination Payments

This information is presented in accordance with section 42(3)(f) of the New Zealand Public Health and Disability Act 2000. Termination payments include payments that the person is entitled to under contract on termination such as retirement payment, redundancy and gratuities. During the year Hutt Valley DHB made the following payments to former employees in respect of termination of employment with the Board. [refer to table 3]

Auditor

The Auditor-General is appointed auditor under section 43 of the New Zealand Public Health and Disability Act 2000. Audit New Zealand has been contracted to provide these services.

For and on behalf of the Board



Peter Glensor

Chair

Table 1A - Board Members' Remuneration 2005

Board Members	Year to 30 June 05 Board Fees \$000	Year to 30 June 05 Com. Fees \$000	Year to 30 June 05 Total Fees \$000	Year to 30 June 04 Total Fees \$000
P Glensor (Chairman)	36,000	8,250	44,250	48,700
S Cole (Deputy Chairman)	24,375	4,750	29,125	23,900
K Austin	19,500	4,563	24,063	23,600
P Brosnan*	9,000	750	9,750	19,700
P Christianson ⁺	10,500	1,750	12,250	0
C Cunningham ⁺	10,500	2,250	12,750	0
V Ellen*	9,000	1,500	10,500	20,500
K Hindle	15,000	5,813	20,813	7,000
K Laban ⁺	10,500	2,000	12,500	0
C Love	19,500	2,625	22,125	22,500
P McCardle	19,500	3,750	23,250	22,500
G Moffat*	9,000	0	9,000	19,200
D. Ogden ⁺	10,500	2,000	12,500	0
B Tahī*	9,000	1,000	10,000	19,700
K Puloto-Endemann*	7,500	1,563	9,063	21,400
R Wallace ⁺	10,500	1,250	11,750	0
Total	229,875	43,814	273,689	248,700

*To Dec 2004 / ⁺From Dec 2004

Table 3 - Termination Payments

Amount \$	Number of employees
250	1
2,250	1
2,302	1
2,724	1
2,922	1
2,950	1
4,470	1
5,000	1
5,357	1
6,600	1
7,621	1
8,550	1
9,082	1
25,563	1

Table 1B - Board Members' Remuneration 2005

Co-Opted Committee Members	Year to 30 June 05 Total Fees \$000	Year to 30 June 04 Total Fees \$000
T. Araiti	1,000	0
G. Alcorn	500	0
P. Carroll	1,750	1,000
M. Cooper	0	1,200
C. Cunningham	0	1,200
W. Dunn	500	0
L. Fotune	500	0
B. Harris	1,250	2,500
T. Hobman	1,500	2,000
L. Kljakovic	750	1,000
S. Masina	500	0
W. Mulligan	750	2,000
M. Redwood	1,250	2,500
S. Stansfield	0	200
F. Stowers	750	0
K. Stuart	500	1,000
J. Taylor	1,500	1,700
M. Tukukino	1,750	2,200
M. Tunoho	500	0
I. Vaofusi	750	0
	16,000	18,500

Table 2 - Employees' Remuneration 2005

Range	Year to 30 June 2005	Year to 30 June 2004	Med/Dental Year to 30 June 2005
100,000-109,999	13	6	8
110,000-119,999	10	20	8
120,000-129,999	11	10	8
130,000-139,999	7	5	6
140,000-149,999	5	10	5
150,000-159,999	9	3	7
160,000-169,999	4	6	4
170,000-179,999	8	3	8
180,000-189,999	3	3	3
190,000-199,999	3	3	3
200,000-209,999	2	2	2
210,000-219,999	0	0	0
220,000-229,999	0	1	0
230,000-239,999	1	1	1
240,000-249,999	2	1	2
250,000-259,999	0	1	0
260,000-269,999	0	0	0
270,000-279,999	1	0	1
280,000-289,999	1	0	1
290,000-299,999	1	0	0
Grand Total	81	75	67

Chair's Foreword

I am delighted to introduce Hutt Valley District Health Board's annual report for the year ended 30 June 2005.

Once again we have finished the year with a small financial surplus. Our result is an operating surplus of \$52,000 on income of \$277 million.

At the same time we have delivered more services to our community and continued to focus on our priority areas.

This is the third year in succession that the board has reported a small surplus and it is a tribute to our staff that we continue to be financially sound, so that we can concentrate on building health services in the Hutt Valley. It should be noted, however, that Hutt Valley DHB has a number of challenges to ensure we maintain a strong financial position in the coming years.

We have continued to work towards better health for Hutt Valley people. While some people still think of the DHB just as Hutt Hospital, this report shows we spend much more money on services in the community, including funding GP and pharmacy services.

Hutt Valley DHB has committed wholeheartedly to the national primary health strategy. We ensured very strong community involvement in the setting up of the six primary health organisations (PHOs) in our region. In the coming year we will continue to work with the PHOs to ensure there is continued value from the greater investment in primary health. It is also important that all community providers are involved in the development of better primary health services and we will work to ensure that happens.

We have made significant developments in services aimed at children, youth and the elderly, which are outlined later in this report. We have also concentrated on improving the co-ordination of care for cardiac services and on improving diabetes care and care of chronic conditions.



WE HAVE CONTINUED TO WORK TOWARDS BETTER HEALTH FOR HUTT VALLEY PEOPLE. WHILE SOME PEOPLE STILL THINK OF THE DHB JUST AS HUTT HOSPITAL, THIS REPORT SHOWS WE SPEND MUCH MORE MONEY ON SERVICES IN THE COMMUNITY, INCLUDING FUNDING GP AND PHARMACY SERVICES.



The Board is equally determined that we continue to improve hospital services in the Hutt Valley. We have already committed to expanding the Hutt Hospital emergency department and have begun to increase staffing there. During the year we opened the renovated plastic and burns ward and we committed to expanding breast screening services, replacing the hospital's CT scanner and installing an MRI scanner.

Most importantly, we have committed to establishing an integrated site development plan for the Hutt Hospital to ensure we have controlled and co-ordinated growth on the site. We have to make a key decision on the number of operating theatres required for the future. There is no doubt that we have too few operating theatres, and it is a credit to staff that in all of the main

specialties they met or exceeded contracted surgery levels. Indeed, through the national orthopaedic initiative, Hutt Hospital performed 240 major joint replacements during the year – the first time we have exceeded 200. However, without increased operating theatre capacity we will not be able to make further gains.

We have a strong record of innovation at Hutt Valley DHB and that tradition continued during the year with three finalists in the New Zealand health innovation awards. A number of our projects, aimed at meeting demand or improving access to services, have attracted national attention. At the end of the year we commenced public consultation on our draft five year strategic plan. We began an extensive consultation which in the end involved more than 800 people and which was another signal of the commitment this DHB has to seriously involving the community in decision making.

During the year we had DHB elections. I want to acknowledge the work of Pat Brosnan, Vera Ellen, Grant Moffat, Brenda Tahi and Fuimaono Karl Puloto-Endemann who all ended their time with the Board. They all played a significant part in our development and worked hard on behalf of the people of the Hutt Valley.

A number of new members came on to the Board - Pat Christianson, Chris Cunningham, Ken Laban, David Ogden, and Ray Wallace. They have settled in well and are continuing the collaborative and constructive tradition of our board.

I close by thanking Chai Chuah and all the DHB staff for their tremendous work during the last 12 months. It has again been a strong year of progress

Peter Glensor
Chair

A Summary of Activities

Primary Care

The development and support of Primary Health Organisations (PHOs) was our key priority in primary care. In 2004/05, we provided significant financial support to PHOs to assist them in building infrastructure and capability.

Achievements included:

- **PHO coverage:** Two new PHOs were established – Tamaiti Whangai PHO (an access PHO) on 1 July 2004, and Ropata Community PHO (an interim PHO) on 1 October 2005. (Upper Hutt Health Centre established the Hutt Valley's sixth PHO on 1 July 2005).
- **PHO Support:** We provided active support to the Valley PHO by identifying and funding an interim chair to assist the Board in establishing its future path.
- **PHO management:** We helped consolidate shared management and administration services for PHOs in the Hutt Valley.
- **Primary mental health:** Piki te Ora ki te Awakairangi and MidValley Access PHO both successfully applied to the Ministry of Health for funding for primary mental health programmes.
- **New health programmes:** All five PHOs either started or began preparation for new health programmes under the 'Care Plus' programme.
- **Dental care:** We built a dental facility at Whai Oranga O Te Iwi medical centre in Wainuiomata and began a pilot low-income oral health service.
- **Health promotion:** Regional Public Health employed a health promotion support worker to work with all the PHOs in the Hutt Valley to support them in developing health promotion programmes.
- **After hours GP cover:** We established a working party to examine the issues around providing after hours GP care in the Hutt Valley.
- **Excellence:** The Primary Health Excellence Awards were extended to include a number of new categories, some of which provided opportunities for the newly established PHOs to be recognised.
- **Diabetes management:** Quality Initiative payments were made to GPs to put in place follow-up systems that ensure better management of individuals' diabetes.
- **Palliative Care:** We started a palliative care education liaison service in 2004/05 to assist all providers to develop a palliative care approach when they are dealing with people in the final stages of life. This has the potential to reduce the number of admissions to hospital for people in the final stages of life, allowing them to remain in their own homes. We piloted an intensive end-of-life programme to assist residential facilities to provide good palliative care to patients.

Intersectoral Collaboration

Intersectoral collaboration is where agencies from different sectors, such as health, education and local councils, work together on a specific project. It is becoming more and more a focus for Hutt Valley DHB because we believe that we must work together to improve our community's health.

Hutt Valley DHB was involved in a wide range of intersectoral collaborations during 2004/2005 –approximately 37 different projects. Some of the key ones included.-

- **Healthy Housing Index:** We helped fund the Wellington School of Medicine Healthy Housing

Index project as part of a group of local funders.

We made meetings between the research group and key Maori and Pacific stakeholders happen and a Maori Health Protection Officer worked with the building inspectors on the houses of Maori participants.

- **Housing and Heating Study:** Hutt Valley DHB contributed funding towards the Wellington School of Medicine's research on Housing and Heating.
- **Hutt Housing Steering Group:** The DHB helped form and chair a Hutt Housing Steering Group including all key stakeholders (i.e. Hutt City Council, Ministry of Social Development, Housing NZ, Wellington School of Medicine, Hutt Mana Charitable Trust, Kokiri Marae, Piki te Ora ki te Awakairangi PHO, Energy Efficiency Conservation Authority).
- **Hutt Valley Governance Group:** We actively supported the Hutt Valley Governance Group and see this as a key body in developing intersectoral co-operation in the Hutt Valley.

Regional Public Health Strategic Plan

- **Smokefree Environments:** RPH staff worked with the hospitality industry (especially restaurants and bars) and other groups (e.g. sports clubs) to implement the new Smokefree Environments Amendment Act legislation from 10 December 2004.
- **Smoking Cessation:** We implemented a Smoking Cessation service through primary care.
- **Healthy Eating Healthy Action:** We have progressed a number of Healthy Eating, Healthy Action initiatives both within the organisation, as a good employer, and amongst contracted providers including:
 - 10,000 Steps @ Work programme for staff
 - Weight Watchers @ work programme for staff
 - Maintenance of a gym for staff
 - Health Promoting Schools Status
 - Additional funding for Hiko programme which has significantly expanded since its inception in 2000
 - AUT Pacific Heartbeat nutrition training programme completed by 24 students



THE DEVELOPMENT AND SUPPORT OF PRIMARY HEALTH ORGANISATIONS (PHOS) WAS OUR KEY PRIORITY IN PRIMARY CARE.

MUCH OF OUR WORK IN PRIMARY CARE, CHRONIC DISEASE MANAGEMENT AND IN CREATING HEALTHY COMMUNITIES, FOCUSED ON DEALING WITH DISPARITY IN PEOPLE'S HEALTH STATUS.

Maori Health Development

Much of our work in primary care, chronic disease management and in creating healthy communities, focused on dealing with disparity in people's health status. This work focused on all people who are disadvantaged.

In addition Maori, as well as having particular status under the Treaty of Waitangi, have, on average, markedly poorer health than other communities. Key developments in 2004/05 were the development of a local Maori governance partnership agreement, culminating in the formation of Te Awakairangi Hauora, and the launch of Whanau Ora ki te Awakairangi, the Hutt Valley Maori Health Strategic Plan.

Significant achievements included:

- **Diabetes:** We funded the Hutt Valley DHB Diabetes Specialist Outreach Service to employ a full time Registered Nurse to target Maori diabetes. A further \$110,000.00 was committed to target increased early detection and diagnosis of diabetes in Maori.
- **Maternity:** A Maori parenting programme was established to provide appropriate maternity support services (both post-natal and pre-natal) to high-risk Maori whanau.
- **Access:** We've made progress in improving our provider arm's responsiveness to Maori – in particular, the dental service has undertaken strategies to improve Maori access to the School Dental Service as well as access for Maori pre-schoolers into the service.

- **Advisors:** We committed to creating a Maori Strategic Advisor to Regional Public Health Services and we established an advisor position reporting directly to the Regional Leader, Public Health Services.
- **Hospital Services:** A second position was established in the Maori health team to increase input to Maori patients in hospital. Satisfaction surveys of Maori patients and their whanau continue to show strong support for Hutt Valley DHB services, with the overall satisfaction rate increasing from 66% in 2003 to 82% in 2004.

Pacific Peoples

Much of our work in primary care, chronic disease management, and in creating healthy communities, focused on dealing with disparity in people's health status. This work focused on all people who are disadvantaged. In addition the Pacific community has particular needs.

In August 2004 the Hutt Valley DHB Pacific Health Action Plan was launched with the Pacific community and their leaders. The following initiatives have been started:

- **Supporting Pacific in hospital:** A full time Registered Nurse was employed to support Pacific families through their stay in hospital and discharge back to the community.
- **Workforce:** Hutt Valley DHB Pacific Scholarships were set up to help build a competent and qualified Pacific workforce.
- **Children's services:** The primary Tamariki Ora well child service was fully funded.
- **Older people:** A Pacific-led service was established for Pacific older people.
- **Pacific provider development funding:** The following initiatives were completed.-
 - Governance and business training for non-government organisations.
 - Pilot programmes were developed to reduce family violence, enhance victim support and stop men's violence.
 - Youth workshops for providers to better understand and support a youth-friendly services approach.
 - The Auckland University of Technology Pacific Heartbeat nutrition training programme was completed by 24 students.
 - A Pacific mental health support provider was established
 - The Hutt Valley DHB Pacific advisor continued regular radio broadcasts providing updates and health promotion topics to Pacific communities in the region.
 - Pacific advisory groups were set up to participate in and prepare for the Meningococcal B campaign.
 - Participation in local Pacific initiatives to increase involvement in sporting activities and health awareness.
- Because diabetes is a real problem in the Pacific community, the Hutt Valley DHB Diabetes Specialist Outreach Service was funded to provide a full time Registered Nurse to target Pacific diabetes.
- PHOs provided funding for Pacific lifestyle classes through a Pacific provider, to their Pacific communities. This programme is now available to all the Hutt Valley Pacific communities and has helped a large number of Pacific people lose weight and improve their diets.

IN AUGUST 2004 THE HUTT VALLEY DHB PACIFIC HEALTH ACTION PLAN WAS LAUNCHED WITH THE PACIFIC COMMUNITY AND THEIR LEADERS.

Chronic Disease Management

We made significant progress in chronic disease prevention and management during 2004/05:

Diabetes

- **Diabetes Review:** After reviewing diabetes services in the Hutt Valley we reconfigured some diabetes services and allocated additional funding for services mostly focused on high need populations and making sure more services were delivered in the community.
- **Improving the Skills Of Primary Health Care professionals:**
Initiatives included:
 - A two-day course for primary nurses which qualified them, if successful, to deliver identified funded education sessions to people with diabetes.
 - Approval of individual General Practices as diabetes skilled (bulk funded).
 - Approval of private podiatrists to deliver specific services (previously available only through the hospital).
- Starting the Diabetes Specialist Outreach Service (DSOS) which is an additional service which focuses on reaching the Maori and Pacific community, children, building the diabetes workforce and ensuring better integration of primary and secondary services.
- **Free Patient Services:**
 - Diabetes education sessions within GP practices, given by a Hutt Valley DHB approved nurse. These include patient education for newly identified patients and for patients with poor diabetes control.
 - Podiatry: Newly identified patients can receive assessment, education and treatment sessions through a private Hutt Valley DHB approved primary care podiatrist of the patient's choice.
- **High-risk Patients:** The impact for high risk patients of the above innovations is that they now have access to education from a trained nurse at their local GP and private podiatrists in the community can now follow-up their prescribed treatment. Now there is also an outreach service based at Hutt Hospital aimed specifically at high-risk patients.
- **Child/Youth:**
Innovations include:
 - A dedicated Registered Nurse employed to manage paediatric diabetes services
 - A youth peer support service established to support youth
 - A counselling service established to provide individual and family support.
- **Other diabetes initiatives:**
 - General Practice registers have been matched to unique diabetes identifiers to determine accurate diabetes disease registers.
 - Quality Initiative payments were made to support General Practice to implement a systems approach to diabetes management and reach targets for diabetes management.
 - A Hutt Valley DHB Small Grants Award was made to Diabetes Youth Wellington to support delivery of their first diabetes youth camp.
 - We now have a well established Locality Diabetes Team (LDT) and a Regional Diabetes Paediatric Advisory Group.

Cardiovascular Activities

Cardiac continuum of care:

The cardiac continuum of care, launched by the Minister of Health in 2004/05, led to a range of initiatives during the year. Since the launch:

- 50% of practice nurses in the Hutt Valley have been trained in patient education
- We developed a standard education package for newly diagnosed patients to be delivered in primary care, so they are better able to deal with their condition.

- Patients readmitted with Congestive Heart Failure can have a funded GP consultation to reduce the risk of readmission
- A mainstream and Maori cardiovascular/diabetes risk pilot has been implemented
- The Department of General Practice, Otago University has been contracted to evaluate the risk pilots.

Respiratory Activities

A respiratory working group was established to provide advice on ways of improving current respiratory services and identify opportunities for improvements. A number of key initiatives have resulted, including:

- 50% of practice nurses have been trained in respiratory education
- A standard education pack for respiratory education to be delivered in primary care is being developed
- We have increased access to community based spirometry tests.
- Community based chronic disease self-management courses have been established.

WE COMPLETED OVER
240 HIP AND KNEE
REPLACEMENTS AT HUTT
HOSPITAL.



Hospital Services

Our Board has committed to ensuring that Hutt Valley has appropriate hospital services.

In the last year we began to increase staffing in our emergency department and to plan for an extension to the department.

That is part of an integrated campus plan which involves providing more operating theatres, to overcome a significant shortage.

In spite of a lack of operating theatre space we exceeded elective surgery targets in all but two specialist areas – gynaecology and maxillofacial. The figures below are what is known as caseweights, they're not individual people. However, they show that our surgical teams have worked very hard during the last year to meet and exceed the targets set by the Ministry of Health.

This is a remarkable performance by our staff, given the space constraints. An independent expert has confirmed that Hutt Valley DHB, with four theatres, is a top performer in operating theatre utilisation, when compared with other DHBs in New Zealand.

Other achievements included.-

- **First specialist assessments:** We were above contract and above last year for the total number of first specialist assessments performed by Hutt Valley DHB.
- **Total Operations:** Total operations were up 4.7 percent on last year.
- **Waiting Lists:** While there was a substantial rise in first specialist assessments and a rise in the number of elective operations undertaken, the total

number of people waiting for surgery also rose, reflecting on-going increases in demand.

- **Orthopaedics:** We successfully delivered the 50 additional major joint replacements under the national Orthopaedic initiative.
- **Waiting Times:** Ear Nose and Throat (ENT) and orthopaedics first specialist assessment waiting times were substantially reduced as were waits for orthopaedic surgery.
- **Integration:** We implemented primary care management guidelines for lower back pain and ganglia.
- **Care and Review:** We achieved 100% compliance for our management of care and review patients.
- **Ear, Nose and Throat:** By consolidating the ear nurse clinics with the newly introduced mobile ear van we have not only helped reduce the ENT first specialist assessment waiting times, but we have improved the early detection and treatment of children with ear disease and the associated hearing problems.
- **Breast Screening:** The Board signed off on a plan to relocate and expand Hutt Hospital's breast screening services and this project is due for completion by the middle of 2006.

	Actual	Contract	% Achieved
General Surgery	2345	2086	112%
ENT	344	290	119%
Gynaecology	679	720	94%
Orthopaedics	2410	2360	102%
Plastics	3497	2856	122%
Maxillofacial	160	180	89%
Total	9435	8492	111%

- **Radiology:** The Board approved a proposal to purchase an MRI scanner and a new CT scanner.
- **Plastics Inpatients Unit:** The redeveloped plastic and burns inpatient unit was successfully completed and opened by the Minister of Health.

Child Health

Key milestones in child health in 2004/05 included:

- **Rating:** Hutt Valley DHB showed a significant improvement in the third Paediatric Society of New Zealand national child and youth health survey and ranked amongst the top DHBs in New Zealand.
- **Skin Infections:** Regional Public Health undertook and published a review of skin infections (joint venture between Hutt Valley DHB and Capital & Coast DHB) in children and young people and a new school-based prevention programme has been launched.
- **National Immunisation Register:** The register (NIR) was rolled out in the Hutt Valley from 1 May 2005 for the MeNZB campaign.
- **MeNZB Immunisation:** Implementation of the Meningococcal immunisation programme began on 5 May 2005.

- **Parenting:** A Maori parenting programme funded in primary care is intended to help improve Maori child health statistics.
- **Family:** The Family Start programme was introduced to Lower Hutt. This is a programme funded by central government through the Ministry of Social Development as the lead agency.

Two important review projects were completed during the year.

- The Family Violence Scoping Project reviewed the DHB's current response to family violence and considered future requirements to effectively respond to and reduce family violence.
- The Review of the Public Health Nursing Service was a joint project with Capital & Coast DHB and sought to identify possible ways for the future that are in line with child and youth health best practice.

Maternity

Key milestones in maternity in 2004/05 included:

- **Breast Feeding:** Breast feeding rates for babies at the time of discharge from hospital rose to 81%.
- **Bestpart Programme:** The breast feeding friendly cafés 'BESTPART' programme was launched in Parliament

by Hon. Annette King and subsequently introduced to the Hutt Valley.

- **Antenatal Classes:** Antenatal classes were reconfigured and have proved successful in increasing numbers.

Youth Health

- **Primary sexual and reproductive health services:** The services were reviewed during the year and as a result they were reconfigured to improve access for young people.
- **Upper Hutt:** The Hutt Valley Youth Health Service extended its services in Upper Hutt, including a partnership with Orongomai Marae to focus on increasing access to rangatahi in Upper Hutt.
- **Oral Health:** We began a number of initiatives with youth health providers and the Adolescent Oral Health Co-ordination Service to increase the enrolment rates of young people with an adolescent oral health provider.
- **Youth Health Physician:** The Board approved funding to establish a specialist youth health physician position, together with a new community paediatrician position.

Mental Health

Achievements included:

- **Transient Employment Project:** This project provides graduated support for people with long term mental illness to work in paid employment in the community.
- **Children of Parents with Mental Illness:** We recently established this programme to address the particular needs of children of parents who use mental health services.
- **Maori Mental Health:** We contracted Te Rau Matatini to develop training programmes to increase the mental health and cultural competencies of both Maori working in health and social services, and those working in secondary mental health services.
Te Rau Matatini administered scholarship funds for the Maori mental health workforce.
A half-time Maori mental health consumer advisor position was established.
- **Day treatment:** A day treatment programme was established for people with alcohol and drug issues.
- **Adventure Therapy pilot:** This pilot programme uses physical challenge and positive risk-taking to help

engage young people into treatment and provides an alternative to 'talking therapy'.

- **Women's mental health:** A self esteem programme was established for women with mental health issues.
- **Supporting consumers:** We established a 'Warmline' peer-run 'out of hours' consumer support service.
- **Psychological Therapies:** A project manager was appointed to establish psychological therapies services in two access PHOs.
- **Pacific Services:** The DHB's provider arm began Pacific alcohol and other drug services with the aim to transfer them to a Pacific provider in the future.
- **Service Co-ordination:** From 1 December 2004 we ceased sub-contracting service co-ordination to Capital & Coast DHB Regional Service Coordination and recommenced providing it ourselves.
- **Older People:** A mental health service for older people was developed

Cancer Control

Breast Screening

- **Age Extension:** In July 2004 the national programme's age eligibility range was extended from 50-64 years to 45-69 years - a 60% increase in volumes. BreastScreen Central (BSC)

initiated an age extension project to develop the best service delivery and began offering screens to women in the 65-69 year age group.

- **Bigger Facilities:** The Board approved a plan to relocate and extend the breast screening facilities at Hutt Hospital and the project began with expected completion in mid-2006.
- **Targets:** BreastScreening volumes for 2004/05 were just ahead of target.

Cervical Screening

- **Participation:** The participation rate is 96.85% compared to the target level of 90%. Participation measures all women who have had a cervical screen in the last six years.

Inequalities Focus for Screening

Several projects were initiated focusing on Maori and Pacific women, who participate in screening programmes at a far lower rate than other women:

- **Pacific Women:** A Pacific screening week was held in Cannons Creek, August/September 2004
Work began on establishing a well woman service for Pacific women in the Wairarapa.

- **Maori Women:** Work began on a marae screening initiative in Kapiti, in collaboration with Hora Te Pai.

New Zealand Disability Strategy

- **Disability Advisor:** The most significant development in 2004/05 was the appointment of a Disability Advisor to work with the disability community to develop a plan for implementing the New Zealand Disability Strategy. It is a senior management position, reflecting the importance of disability issues for the DHB.

Older Persons Services

- **Older Persons Plan:** The Hutt Valley DHB's Older Persons Service Plan was developed and launched in 2004 and key initiatives from that plan are already being introduced including:
 - We are finalising an Older Persons Workforce fund
 - We introduced a Pacific elder care day service
 - We are working on improved service coordination
 - We began a project to establish a single entry point for all older people referred to the DHB's services.

- **Home Support:** Home-based support providers received a significant price increase to their core contracts (5%) plus additional funding to implement a 'Packages of Care' pilot programme.
- **Falls Prevention:** We started a falls assessment and intervention programme in partnership with the Otago School of Medicine and ACC.
- **Equipment:** We continued to invest in a programme to catch up on assessments of people in the community for equipment they needed to have in order to continue living in their own homes. This had previously been done as a pilot programme.
- **Directory:** We launched a web-based directory of services available to older people in the community.

Promotion of Excellence and Innovation

- **Quality:** We achieved two-year certification against the Health & Disability Sector Standards and a three-year accreditation against the Quality Health NZ Standards. DHB staff chaired several sessions and had posters and presentations at the Australasian Quality and Safety Conference in Canberra in August 2004.

We continued on the path to become New Zealand's first certified Magnet Hospital, although the resignation of our Director of Nursing half way through the year, delayed the final application.

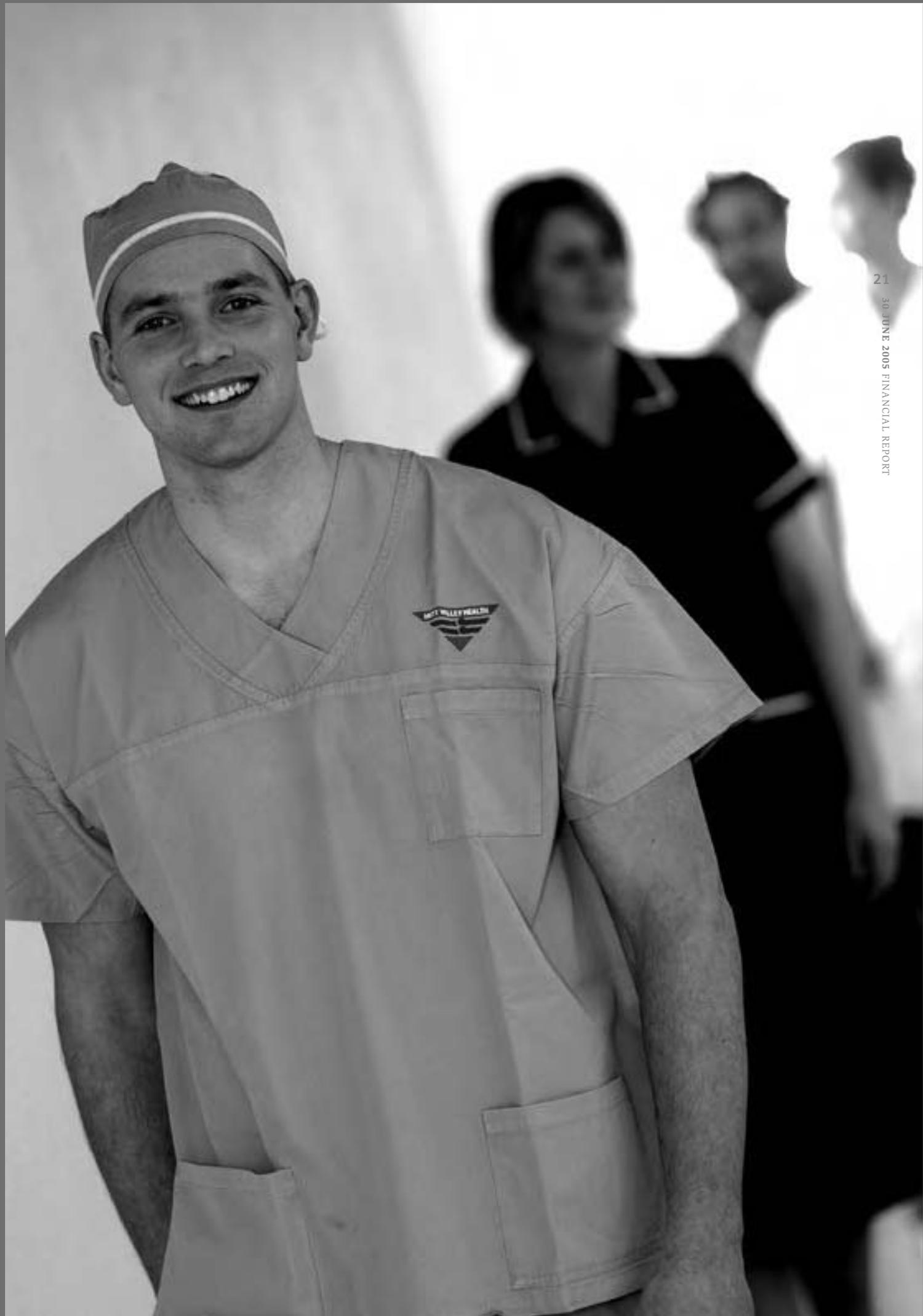
Other quality initiatives included the Chair's Quality Award, the Community Health Excellence Awards, the Magnet/Quality Champion Dinner, study days and the HR Excellence Awards.

- **Health Innovation Awards:** We had three finalists in the national Health Innovation Awards – our pharmacy discharge system, our chronic care co-ordination system and our skills laboratory, the last of which received a 'highly commended' award.
- **Clinical Board:** A clinical board was formed as a significant step forward in ensuring clinical excellence within the DHB.
- **IT Excellence:** Our Information Technology department became a finalist for the national IT Team of the Year and Tony Cooke was a finalist for the Chief Information Officer of the Year award.

Hospital Service Indicators

Hutt Valley District Health Board	2000/01	2001/02	2002/03	2003/04	2004/05	2004/05- 2004/03 Var %
Inpatient discharges	17,040	16,724	16,797	17,571	17,243	(1.9)
Daycase discharges	7,823	7,771	8,689	9,364	9,349	(0.2)
Total discharges (incl newborns)	24,863	24,495	25,486	26,935	26,592	(1.3)
Discharges per Day	67.9	67.1	69.8	73.8	72.9	(1.3)
Available bed days (incl cots)	89,718	91,250	91,615	91,615	93,075	1.6
Occupied bed days	78,864	77,745	76,159	78,876	79,084	0.3
Average occupancy	87.9%	85.2%	83.1%	86.1%	85.0%	(1.3)
Inpatient operations	4,812	4,706	4,612	5,012	5,319	6.1
Daypatient operations	2,011	1,997	2,159	2,244	2,281	1.6
Total operations (theatre cases)	6,823	6,703	6,771	7,256	7,600	4.7
Elective operations	3,762	3,467	3,584	3,405	3,412	0.2
Acute operations	3,061	3,236	3,187	3,851	4,188	8.8
Total operations (theatre cases)	6,823	6,703	6,771	7,256	7,600	4.7
Inpatient Waiting list total at 30 June	872	907	1,047	1,263	1,407	11.4
Outpatient Attendances						
- Surgical	39,977	43,262	44,165	46,255	46,761	1.1
- Medical	15,411	16,130	17,203	17,754	18,959	6.8
- Paediatric	4,207	4,366	4,463	4,249	4,568	7.5
Emergency Department						
- First attendances	30,259	29,439	29,188	30,748	33,397	8.6
- Total attendances	31,986	30,851	30,234	31,741	34,254	7.9
Community Contacts						
Community contacts - district nursing	41,063	36,652	36,625	34,893	35,461	1.6
Births - Hutt Hospital	2,117	2,061	1,866	1,979	2,126	7.4
Radiology examinations	48,202	46,853	46,462	48,461	49,772	2.7
Laboratory tests performed	596,983	643,678	638,458	621,398	788,016	26.8

- Key points are the increases in operations, outpatient attendances and emergency department attendances.



What Is Planned For 2005/06?

- **Elective volumes:** Elective volumes will be maintained at the same levels as in 2004/05. All surgical services are operating at national intervention rates, apart from orthopaedics where we are participating in the national initiative.
 - **Theatre Capacity:** We will focus on gaining approval for increased theatre capacity as part of an Integrated Campus Plan, in order to be able to increase elective surgery levels in the future.
 - **Theatre Usage:** During the year, a theatre user group will be established to consider theatre access issues and ensure full utilisation of theatre capacity.
 - **Booking System:** We have appointed an elective services manager to provide stronger focus booking system management in each surgical department. We'll be looking to rationalise booking system processes within the hospital.
 - **Innovation:** Further opportunities for innovation will be explored and current developments will be consolidated, including the breathlessness clinic, the colorectal cancer follow up plan, further development of nurse clinics in orthopaedics, ENT, rheumatology and general surgery.
- We'll continue to progress alternative ways of managing first specialist assessments (FSA) including the use of the Low Back Pain pathway. We'll continue to develop primary care management plans and we'll hold additional GP training sessions for joint injections, ganglia management and GP management following colorectal cancer, melanoma and breast cancer.
- **Certainty of treatment:** We'll be working to ensure all patients who have received certainty of treatment, have their operation within six months.
 - **Consolidation Of Primary health funding:** We will review funding for primary care in 2005/06 to consolidate progress.
 - **Mental health:** We will support Piki te Ora ki te Awakairangi and MidValley Access PHO as they implement the mental health proposals mentioned above and as they implement the psychological therapies programme.
 - **Integration:** We will integrate and align district nursing services and the diabetes outreach nursing services with PHOs.
 - **Evaluation:** The Wellington School of Medicine will evaluate the cardiac and diabetes risk prevention pilots that began this year.
- **MeNZB targets:** Primary Care Targets for MeNZB immunisation will be achieved in 2005/06.
 - **Intersectoral Collaboration:** We want to establish key strategic partnerships and formalise our relationships with the territorial local authorities – the Hutt City Council, the Upper Hutt City Council and Greater Wellington Regional Council. Intersectoral work with central agencies, such as ACC, the Ministry of Social Development and Housing New Zealand will be aimed at reducing health inequalities by focusing on health factors such as poverty, employment, and housing.
 - **Regional Public Health Strategic Plan:** We'll continue to apply resources to priority areas - reducing inequalities (focusing on Maori, Pacific and child populations) and working with communities to promote healthy lifestyles (focusing on tobacco control, improved nutrition and physical activity, and reduction in misuse of alcohol and other drugs).

- **Healthy Eating Healthy Action Strategy:**

Key activities will include -

- A plan of action to implement the Healthy Eating, Healthy Action strategy throughout the Hutt Valley over the next three years.
- Promoting access to recreational facilities and walkways through pro-active participation on the Hutt Valley Active Communities Management Team and Living Streets Aotearoa
- Establishing excellence grants for schools who reach Health Promoting Schools Status.
- Rolling out the 10,000 Steps @ Work programme to the wider Hutt Valley community and potentially the greater Wellington region.

- **Breast screening expansion:** We will continue to implement the BreastScreen age extension programme.

- **Clinical leadership:** We want to enhance the clinical leadership of the breast screening service in order to continue its development.

- **Capital development:**

We will complete the expansion of breast screening services at Hutt Hospital and will also develop more sub-contracts with private providers in the wider region in order to extend capacity.

- **Reducing Inequalities:**

We will continue to focus on reducing inequalities and looking at ways of improving the access of Maori and Pacific women into the service.

- **Cancer Control Strategy:**

We will develop an overall cancer control strategy for the Hutt Valley DHB area.

- **Maori Health Strategic Plan:** Funding of \$150,000 has been allocated for new service development resulting from the plan.

- **Workforce:** The health workforce plan for the Hutt Valley will have an integrated Maori stream.

- **Service Development:** New service development will include findings from the Maori mental health service review, development of kaumatua services and the reduction and cessation of smoking.

- **Maori Providers:** A Maori provider capacity and capability plan will be written this year. This will assist alignment of Maori Provider Development Scheme Funding into future years.

- **Chronic Diseases:** The primary and secondary continuum of care for Maori suffering with chronic illness will be further developed this year.

- **Pacific Health:** In the second year of implementing the Pacific Health Action Plan we will focus on.-

- Reduction in skin disease
- Promotion of men's health
- Continued workforce initiatives
- Support for the Pacific Provider Development Fund

- **Disability planning:** We will increase disability awareness across all DHB services and include it in all DHB planning. A consumer advisory group will be established during the year.

- **Staying at home:** We will develop alternative support to maintain older people in their own home and reduce the admission rate into long term aged care. This may include increasing day care, utilising restorative respite care and increasing social co-ordination.

FURTHER OPPORTUNITIES FOR INNOVATION WILL BE EXPLORED AND CURRENT DEVELOPMENTS WILL BE CONSOLIDATED

MISSION: TO EXCEL IN
THE WAY WE CONSULT,
COMMUNICATE, PLAN AND
PROVIDE HEALTH SERVICES
TO OUR COMMUNITY.

2005

Financial Report

30 JUNE 2005 FINANCIAL REPORT



Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2005

Reporting Entity

Hutt Valley District Health Board was established on 1 January 2001 following the enactment of the New Zealand Public Health and Disability Act 2000. Under the New Zealand Public Health and Disability Act 2000 the assets and liabilities of Hutt Valley Health Corporation Limited were vested in Hutt Valley District Health Board. The Board's operations combine the functions of the predecessor entity and some of the functions previously performed by the Health Funding Authority.

General Accounting Policies

Hutt Valley District Health Board is a crown entity in terms of the Public Finance Amendment Act 2004 and the New Zealand Public Health and Disability Act 2000. These financial statements have been prepared in accordance with the requirements of the New Zealand Public Health and Disability Act 2000 and the Public Finance Amendment Act 2004.

Particular Accounting Policies

The following particular accounting policies, which materially affect the measurement of results and financial position, are applied:

Budgets

The budget figures are those presented in the Statement of Intent that was approved by the Minister of Health. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by Hutt Valley District Health Board in the preparation of the financial statements.

Leases

Finance leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to Hutt Valley District Health Board, are classified as finance leases. Where assets are acquired by finance leases, the lower of the present value of the minimum lease payments and fair value is recognised as an asset at the beginning of the lease term and depreciated on the same basis as equivalent fixed assets. A corresponding liability is also established and each lease payment is allocated between the liability and interest expense.

Operating leases

Operating lease payments, where lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Investments

Investments are stated at the lower of cost and net realisable value.

Goods and Services Tax

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

Employee Entitlements

Provision is made for annual leave, long service leave, retirement gratuities, parental leave and senior medical officers' allowances for conference leave and reimbursement of expenses. Annual leave and parental leave are calculated on an actual entitlement basis at current rates of pay. Conference leave and expenses reimbursement allowances are calculated on an actual entitlement basis per the senior medical officers' employment contract. Other provisions are calculated on an actuarial basis utilising current rates of pay.

Accounts Receivable

Accounts receivable is stated at expected realisable value after providing for doubtful and uncollectable debts.

Inventories

Inventories are stated at the lower of cost, determined on a weighted average basis, and net realisable value. This valuation includes allowances for slow moving inventories.

Obsolete inventories are written off.

Fixed Assets

Fixed assets were vested in Hutt Valley District Health Board from Hutt Valley Health Corporation Limited on 1 January 2001. These assets were recorded at the initial cost incurred by Hutt Valley Health Corporation Limited.

Fixed assets, other than land and buildings, acquired by the Board subsequent to its establishment, are recorded at cost less accumulated depreciation. Cost includes all appropriate costs of acquisition and installation including materials, labour, direct overheads and transport costs.

Land and buildings, including site improvements, are revalued every five years to their fair value as determined by an independent registered valuer to their highest and best use. Additions between valuations are recorded at cost. The results of revaluing land and buildings are credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the asset revaluation reserve, the debit balance will be expensed in the statement of financial performance.

Depreciation of Fixed Assets

Depreciation is provided on a straight-line basis on all tangible fixed assets other than freehold land, at rates, which will write off the cost of the assets, less their estimated residual value, over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Class	Useful Life	Associated Depreciation Rates
Building structure	15 – 65 years	1.5% – 6.7%
Building fitout and services	3 – 40 years	2.5% – 33.3%
Plant and equipment	1 – 15 years	6.7% – 100%
Motor vehicles	5 – 10 years	10% – 20%
Computer equipment	1 – 5 years	20% – 100%
Leased assets	6.5 – 8 years	12.5% – 15.4%

THE BOARD'S OPERATIONS COMBINE THE FUNCTIONS OF THE PREDECESSOR ENTITY AND SOME OF THE FUNCTIONS PREVIOUSLY PERFORMED BY THE HEALTH FUNDING AUTHORITY.

Gains and losses on disposal of fixed assets are taken into account in determining the net operating surplus for the period.

Capital work in progress is not depreciated. The total cost of a project is transferred to a fixed asset category on its completion and is then depreciated.

Properties Intended for Sale

Properties intended for sale are valued at the lower of cost and net realisable value and are classified as a current asset where the intention is for the property to be sold within the next financial year.

Taxation

Hutt Valley DHB is a public authority 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.

Trust and Bequest Funds

Donations and bequests received are treated as revenue on receipt in the statement of financial performance, except where the restrictive conditions are such that the Board has a liability to the donor.

Cost of Services Statements

The cost of services statements report the net cost of services provided by each significant activity. The net cost is the significant activity's cost of providing the service, less revenue collected by the activity.

Cost Allocation

The net cost of service for each significant activity has been arrived at 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/usage information.

Criteria for direct and indirect costs

Direct costs are those costs directly attributable to an output class. Indirect costs are those costs which 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 full time equivalent staff numbers, staff head count numbers and floor space used.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Board invests as part of its day-to-day cash management, net of bank loan facilities.

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Board.

Financial Instruments

Hutt Valley District Health Board is risk averse and seeks to minimise exposure arising from its treasury activity. The Board is not authorised by its treasury management policy to enter into any transaction that is speculative in nature.

Financial instruments reflected in the statement of financial position include cash and bank balances, receivables, trade creditors and borrowings. These instruments are, generally, carried at their estimated fair value. For example, receivables are carried net of the estimated doubtful receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Changes in Accounting Policies

There have been no changes in accounting policies adopted and all policies have been applied on a basis consistent with the previous period.

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Operating Income		277,904	254,643	258,177
Total Expenses		(263,367)	(239,359)	(243,398)
Operating Surplus before Depreciation, Capital Charge and Interest	1	14,537	15,284	14,779
Gain / (Loss) on sale of assets		(50)	0	743
Depreciation	1	(6,444)	(7,188)	(6,661)
Capital charge		(6,777)	(6,785)	(7,405)
Interest expense	1	(1,214)	(1,258)	(1,226)
Net Operating (Deficit)/Surplus		52	53	230

Supplementary Information

The following table shows the consolidation of the cost of service statements for each output class including the elimination of internal transactions.

	June 2005 Provider \$000	June 2005 Governance \$000	June 2005 Funder \$000	June 2005 Elimination \$000	June 2005 Consolidated \$000
Operating income	134,968	3,236	243,068	(103,368)	277,904
Operating expenses	(122,318)	(2,797)	(241,620)	103,368	(263,367)
Operating Surplus before Depreciation, Capital Charge and Interest	12,650	439	1,448	0	14,537
Gain / (loss) on sale of assets	(50)	0	0	0	(50)
Depreciation	(6,441)	(3)	0	0	(6,444)
Capital charge	(6,777)	0	0	0	(6,777)
Interest expense	(1,214)	0	0	0	(1,214)
Net Operating (Deficit)/Surplus	(1,832)	436	1,448	0	52
Reconciliation to Retained Earnings					
Opening Balance	(2,615)	158	1,747	0	(710)
Net operating (deficit) /surplus for the year	(1,832)	436	1,448	0	52
Closing Balance	(4,447)	594	3,195	0	(658)

The accompanying notes and accounting policies on pages 26 to 28 and 34 to 43 form an integral part of these financial statements

Statement of Movements in Equity

FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Net Surplus For The Year		52	53	230
Other recognised revenues and expenses				
Repayment of Equity		0	0	(13,000)
Decrease in revaluation reserves	2,9	(2,380)	0	0
Total recognised revenues and expenses for the year		(2,328)	53	(12,770)
Equity at beginning of the year		61,458	61,228	74,228
Total Equity At The End Of The Year		59,130	61,281	61,458

Mental Health Ring Fence for the year ended 30 June 2005

Hutt Valley District Health Board is required by its Crown Funding Agreement to ensure Mental Health funding is used to provide Mental Health Services. Included in the Funder accumulated funds of \$3,195 million is \$113,000 that is required to be used for future mental health service provision.

Statement of Financial Position

AS AT 30 JUNE 2005

	Notes	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Equity				
Crown equity	2	28,127	28,127	28,127
Revaluation reserves	2	31,661	34,042	34,041
Retained earnings	2	(658)	(888)	(710)
Total Equity		59,130	61,281	61,458
<i>Represented by:</i>				
Current Assets				
Bank in funds		9,841	3,873	9,413
Receivables and prepayments	3	13,364	5,874	10,003
Inventories	4	902	682	862
Total Current Assets		24,107	10,429	20,278
Current Liabilities				
Payables and accruals	5	28,131	21,085	30,079
Employee entitlements and provisions	6	13,346	6,089	7,687
Borrowings	7	113	0	130
Total Current Liabilities		41,590	27,174	37,896
Net Working Capital Deficit		(17,483)	(16,745)	(17,618)
Non Current Assets				
Fixed assets	9	96,671	99,187	99,757
Trust and bequest funds	11	731	567	601
Total Non Current Assets		97,402	99,754	100,358
Non Current Liabilities				
Employee entitlements and provisions	6	1,029	2,161	1,548
Borrowings	7	19,029	19,000	19,133
Trust and bequest funds	11	731	567	601
Total Non Current Liabilities		20,789	21,728	21,282
NET ASSETS		59,130	61,281	61,458

For, and on behalf of, the Board



Board Member



Board Member

22 September, 2005

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2005

Notes	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Cashflows from Operating Activities			
Cash was provided from:			
Cash receipts	273,402	255,074	252,566
Interest received	925	612	888
	274,327	255,686	253,454
Cash was disbursed to:			
Payments to providers	138,252	127,307	117,712
Payments to suppliers & employees	120,804	111,863	116,124
Net goods and services tax paid	1,022	0	757
Interest paid	1,214	1,258	1,219
Capital charge paid	6,819	6,990	6,786
	268,111	247,418	242,598
Net Cash Inflow From Operating Activities	6,216	8,268	10,856
Cashflows from Investing Activities			
Cash was provided from:			
Proceeds from sale of assets	58	0	2,117
Realisation of trust funds	0	0	0
	58	0	2,117
Cash was applied to:			
Increase in investments and Trust Funds	0	0	0
Purchase of fixed assets	5,846	6,332	6,300
	5,846	6,332	6,300
Net Cash Outflow From Investing Activities	(5,788)	(6,332)	(4,183)
Cashflows from Financing Activities			
Cash was provided from:			
Loans raised	0	0	0
	0	0	0
Cash was applied to:			
Repayment of Equity	0	5,000	13,000
Repayment of loans	0	0	0
	0	5,000	13,000
Net Cash Outflow From Financing Activities	0	(5,000)	(13,000)
Net Increase/(Decrease) In Cash Held	428	(3,064)	(6,327)
Add opening cash	9,413	6,937	15,740
Ending Cash Carried Forward	9,841	3,873	9,413
Cash balances in the Statement of Financial Position:			
Bank in funds	9,841	3,873	9,413
Ending Cash Carried Forward	9,841	3,873	9,413

The accompanying notes and accounting policies on pages 26 to 28 and 34 to 43 form an integral part of these financial statements

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2005

Notes	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Reconciliation of net operating surplus to net cash flow from operating activities			
Net operating surplus	52	53	230
Add back non-cash items:			
Depreciation	6,444	7,188	6,661
Increase/(decrease) in Employee entitlements	5,140	0	(31)
Total Non-cash Items	11,584	7,188	6,630
Add/(subtract) items classified as investment activity:			
Net (gain)/loss on sale of assets	50	0	(743)
Total Investing Activity	50	0	(743)
Movements in working capital:			
Decrease/(increase) in receivables and prepayments	(3,361)	2,192	(4,723)
(Increase)/decrease in inventories	(40)	0	(96)
(Decrease)/increase in capital charge payable	(42)	(205)	609
Increase/(decrease) in payables and accruals	(2,027)	(960)	8,949
Total Net Working Capital Movement	(5,470)	1,027	4,739
Net Cash Inflow From Operating Activities	6,216	8,268	10,856

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	Year To June 2005 \$000	Year To June 2004 \$000
1 Net Operating Surplus		
After crediting revenue:		
Interest income	925	888
Net gain on sale of fixed assets	0	743
After charging expenses:		
Fees paid to external auditors:		
Audit fees	71	68
Other services	0	0
Board and Committee member fees	288	269
Rental and operating lease costs	964	1,009
Bad debts - movement in provision	(10)	(128)
Bad debts written off	68	97
Net loss on sale of assets	50	0
Depreciation		
Building Structure	1,099	1,172
Building Services & Fitout	1,735	1,513
Site Improvements	44	0
Plant & Equipment	2,139	2,451
Motor Vehicles	66	53
Computer Equipment	1,259	1,342
Leased Plant & Equipment	102	130
Total Depreciation	6,444	6,661
Interest expense		
Crown Financing Agency	1,187	1,219
BNZ	5	2
Finance leases	22	5
Total Interest Expense	1,214	1,226

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	Year To June 2005 \$000	Year To June 2004 \$000
2 Equity		
(a) Crown Equity		
Opening balance	28,127	41,127
Equity Repayment	0	13,000
Closing Balance	28,127	28,127
(b) Revaluation Reserves		
Land		
Opening balance	5,239	5,239
Adjustment to reserves	33	0
Revaluation	0	0
Closing Balance	5,272	5,239
Buildings		
Opening balance	28,802	28,802
Adjustment to reserves	(2,413)	0
Revaluation	0	0
Closing Balance	26,389	28,802
Total Revaluation Reserves	31,661	34,041
(C) Retained Earnings		
Opening balance	(710)	(940)
Net operating surplus/(deficit)	52	230
Closing Balance	(658)	(710)
Total Equity	59,130	61,458

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	Year To June 2005 \$000	Year To June 2004 \$000
3 Receivables and Repayments		
Trade debtors	13,107	9,540
Provision for doubtful debts	(180)	(190)
	12,927	9,350
Prepayments	437	653
	13,364	10,003
4 Inventories		
Pharmaceuticals	126	103
Surgical and medical supplies	786	769
	912	872
Provision for obsolescence	(10)	(10)
	902	862

Certain inventories are subject to retention of title (Romalpa clauses). The value of stocks subject to such clauses cannot be quantified due to inherent difficulties in identifying the specific inventories affected at year end.

5 Payables and Accruals		
Trade creditors	23,519	21,415
Accrued expenses	1,988	4,603
GST and other taxes payable	459	1,481
	25,966	27,499
Capital charge payable to shareholders	1,697	1,739
Fixed assets payable	468	841
	28,131	30,079
6 Employee Entitlements & Provisions		
Annual Leave	6,890	6,038
Long Service Leave	400	478
Retirement Gratuities	981	1,338
Other Employee Provisions	6,104	1,381
	14,375	9,235
Made up of:		
Current	13,346	7,687
Non-Current	1,029	1,548
	14,375	9,235

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	Year To June 2005 \$000	Year To June 2004 \$000
7 Borrowings		
Crown Financing Agency	19,000	19,000
Finance leases	142	263
	19,142	19,263
Loans are repayable as follows:		
Current (<i>payable to 30 June 2006</i>)	0	0
One to two years (<i>payable to 30 June 2007</i>)	0	0
Two to five years (<i>payable subsequent to 30 June 2007</i>)	19,000	19,000
	19,000	19,000
Finance leases are repayable as follows:		
Current (<i>payable to 30 June 2006</i>)	113	130
One to two years (<i>payable to 30 June 2007</i>)	29	102
Two to five years (<i>payable subsequent to 30 June 2007</i>)	0	31
	142	263
Total current portion of loans	113	130
Total non-current portion of loans	19,029	19,133
Total Loans	19,142	19,263
Interest rates per annum:		
Crown Financing Agency Loan	6.25	6.40
Finance leases	8.5 to 11.0	8.5 to 11.0
Line of credit restricted access		
Bank loan facilities	6,000	4,000
Used at balance date:	0	0
Unused At Balance Date	6,000	4,000

Borrowings are net of finance charges.

The \$19million loan from the Crown Health Financing Agency (CHFA) was drawn down on 10 December 2002 and the \$19million loan from the BNZ was repaid on the same day. The loan from the CHFA is repayable on 31 December 2007.

A facility with the BNZ of \$6 million was available at 30 June 2005 for working capital requirements of which no draw down has been made (\$4 million: 30 June 2004).

Subject to the continuance of satisfactory credit ratings the bank loan facility may be drawn at any time. Bank facilities are unsecured. Interest rates on all facilities are fixed for the full term of the facility.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	Year To June 2005 \$000	Year To June 2004 \$000
8 Leased Assets		
Finance Leases:		
Current	113	130
Non-current	29	133
Total	142	263
Repayable as follows		
One to two years	113	130
Two to five years	29	133
Beyond five years	0	0
	142	263

	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
2005			
Leased Assets			
Clinical Equipment	1,471	1,310	161
Office Equipment	212	47	165
	1,683	1,357	326
2004			
Leased Assets			
Clinical Equipment	1,471	1,255	216
Office Equipment	204	0	204
	1,675	1,255	420

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	Year To June 2005 \$000	Year To June 2004 \$000
9 Fixed Assets		
Freehold land		
At cost	33	0
At valuation	6,760	6,760
Total Freehold Land	6,793	6,760
Site improvements		
At cost	480	0
At valuation	390	390
Accumulated depreciation	(67)	0
Total Site Improvements	803	390
Building structure		
At cost	539	419
At valuation	53,450	55,133
Accumulated depreciation	(1,899)	(1,152)
Total Freehold Buildings	52,090	54,400
Building services		
At cost	1,085	184
At valuation	15,676	15,062
Accumulated depreciation	(2,296)	(855)
Total Building Services	14,465	14,391
Building fitout		
At cost	2,865	608
At valuation	8,399	8,437
Accumulated depreciation	(1,463)	(731)
Total Building Fitout	9,801	8,314
Plant & equipment		
At cost	23,250	28,784
Accumulated depreciation	(15,785)	(19,645)
Total Plant & Equipment	7,465	9,139

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	Year To June 2005 \$000	Year To June 2004 \$000
9 Fixed Assets (continued)		
Leased assets		
At cost	1,683	1,675
Accumulated depreciation	(1,357)	(1,255)
Total Leased Plant & Equipment	326	420
Motor vehicles		
At cost	549	303
Accumulated depreciation	(348)	(188)
Total Motor Vehicles	201	115
Computer equipment		
At cost	9,185	9,394
Accumulated depreciation	(5,795)	(6,466)
Total Computer Equipment	3,390	2,928
Work in progress		
Property assets	906	1,559
Plant & equipment	87	841
Computer equipment	344	500
Total Work In Progress	1,337	2,900
Total Fixed Assets, Leased Assets And Wip	96,671	99,757

Revaluation

Land and buildings were revalued, in accordance with FRS-3, at 30 June 2003 by CB Richard Ellis, Registered Valuers. The Board Members consider this valuation to be an indication of fair value.

Restrictions

Land is not subject to any restrictions or claims under the Treaty of Waitangi Act 1975.

10 Other Investments

Other investments comprise the 16.7% shareholding in Central Region's Technical Advisory Services Limited (CRTAS). CRTAS is a joint venture company incorporated on 6 June 2001 and owned by the six DHB's within the central region.

CRTAS has a total share capital of \$600 of which Hutt Valley DHB's share is \$100. At balance date all share capital remains uncalled.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

11 Trust and Bequest Funds

Hutt Valley DHB receives donations and bequests for specific purposes. If for any reason Hutt Valley DHB is not able to use the funds as specified, then Hutt Valley DHB is obligated to return the donation to the donor. Funds are held in a separate bank account and any interest earned is allocated to the individual trust balances.

	Year To June 2005 \$000	Year To June 2004 \$000
Opening balance	601	537
Funds received	231	108
Interest received	37	27
Funds disbursed	(138)	(71)
Closing Balance	731	601

12 Statement of Commitments

The following amounts have been committed to by Hutt Valley DHB but are not recognised in the financial statements.

Operating lease commitments

Less than one year	1,058	1,119
One to two years	601	881
Two to five years	399	436
Over five years	0	0
	2,058	2,436

Provider funding commitments

Less than one year	9,454	10,964
One to two years	1,237	3,648
Two to five years	28	1,732
Over five years	0	0
	10,719	16,344

Capital commitments

Less than one year	5,964	3,716
	5,964	3,716
Total Commitments	18,741	22,496

The District Health Board is also obligated to funding significant streams of "demand driven" health purchasing expenditure. Commitments of this nature are in place for the purchase of pharmacy, laboratory, and GP services. Since this expenditure is "demand driven" it is not possible to quantify the obligation in this note.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

13 Statement of Contingencies

There are no contingent liabilities as at 30 June 2005 (Nil: 30 June 2004).

14 Segmental Reporting

Hutt Valley DHB provides health and disability support services to the Wellington region. It also provides some specialist health and plastic surgery/burns services for the lower half of the North Island as well as the Nelson and Marlborough region.

Segmental reporting is not applicable.

15 Financial Instruments

Hutt Valley DHB is risk averse and seeks to minimise exposure arising from its treasury activity.

Hutt Valley DHB does not enter into any transaction that is speculative in nature.

Hutt Valley DHB has a series of policies providing risk management for interest and currency rates and the concentration of credit.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Hutt Valley DHB has fixed rate borrowings from the Crown Health Financing Agency and other sources which are used to fund ongoing activities. Hutt Valley DHB policy is to monitor the interest rate exposure with a view to refinancing if appropriate. The interest rates on borrowings as at 30 June 2005 are disclosed in note 7.

There are no interest rate options or swap agreements in place as at 30 June 2005.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Hutt Valley DHB has no exposure to currency risk.

Concentration of Credit Risk

Credit risk is the risk that a third party will default on its obligation to Hutt Valley DHB thereby causing Hutt Valley DHB to incur a loss.

Financial instruments that potentially expose Hutt Valley DHB to concentrations of risk consist principally of cash, short-term investments and trade receivables.

Hutt Valley DHB places its cash and short-term investments with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance of Hutt Valley DHB's revenue from the Ministry of Health. The Ministry of Health is a high quality financial institution, being the Government purchaser of health services.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practical to estimate that value:

Trade debtors, trade creditors and bank in funds - the carrying amount of these items is equivalent to their fair value.

Term loans and current portion of term loans - the fair value of term loans is approximated by the carrying amount disclosed in the Statement of Financial Position.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

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30 JUNE 2005 FINANCIAL REPORT

16 Transactions with Related Parties

Hutt Valley DHB is a wholly owned entity of the Crown. The Government influences the role of Hutt Valley DHB in the type and volume of services it purchases.

During the period Hutt Valley DHB received 84% (94%: 30 June 2004) of its revenue from the Government, through the Ministry of Health, to fund and provide health services. The amount outstanding at 30 June 2004 was \$0.8 million (\$3.9million: 30 June 2004).

Hutt Valley DHB enters into numerous transactions with government departments and other Crown agencies on an arm's length basis where those parties are only acting in the course of their normal dealings with Hutt Valley DHB. These transactions are not considered to be related party transactions.

17 Capital Charge

All DHBs are required to pay a capital charge monthly to the Crown based on the greater of their actual or budgeted closing equity balance for the month. The charge was set at 11% for the financial period (11%: 30 June 2004).

18 Post Balance Date Events

There are no significant events subsequent to balance date.

19 Major Variations from the Statement of Intent

Variations within each output class are disclosed following the cost of service statements, included within the Statement of Objectives and Service Performance on the following pages.

Key variations from the Statement Of Intent within the Statement of Financial Position are as follows

Category	Explanation
Bank in funds / Receivables and prepayments	The bank in funds balance has increased during the year due to additional funding received during the year which has been partially deferred at year end, a reduction in accounts receivable and an increase in accounts payable at year end.
Payables and Accruals	Payables and accruals have increased due to the increase in deferred revenue due to the Meningococcal B program and the National Immunisation Register. In addition, trade creditors have increased significantly at year end due to the additional expenditure being incurred in all areas of the DHB.
Employee entitlements and provisions	The increases in employee entitlements is due to a number of Collective Agreement settlements during the year which have increased salaries and also increased year end accrual balances for both salaries payable and annual leave liabilities.

Statement of Objectives and Service Performance

Introduction

As a crown entity, Hutt Valley District Health Board is required by the New Zealand Public Health and Disability Act 2000 and the Public Finance Amendment Act 2004 to report on its service performance. The level of performance to be achieved for the year to 30 June 2005 was detailed in the Board's Statement of Intent.

In this section the actual performance of Hutt Valley District Health Board for the year ended 30 June 2005 is measured against the undertakings made in the Statement of Intent. The Auditor-General has audited this performance report for accuracy and reasonableness.

DHB Fund Output Class

This dimension of the Hutt Valley DHB refers to the receipt of funds from the Crown and the allocation of funds to providers, including its own hospital. It excludes governance, management and administration activities relating to the allocation of funds.

Service Performance

Statement of Objectives and Service Performance

Annual Objective	Measure	Target 2004/05	Response	Achieved
Develop and support Primary Health Organisations (PHOs) in the Hutt Valley	<p>These indicators measure:</p> <ul style="list-style-type: none"> Hutt Valley resident's access to cheaper primary care services; the extent to which non-medical health professionals (e.g. nurses, allied health, community health workers) are involved in the care of patients presenting to PHOs 	<ul style="list-style-type: none"> 85% of Hutt population enrolled in a PHO by 30 June 2005 Number of staff mix by profession by PHO 	<ul style="list-style-type: none"> 87% of the Hutt population is enrolled in a PHO at 30 June 2005 A HVDHB Workforce data collection survey conducted in January – February 2004 provides the following breakdown: <ul style="list-style-type: none"> - Administration 25% - Allied Health 3% - Management 5% - Medical 34% - Midwifery 4% - Nursing 27% - Support 2% 	Achieved
Implement a comprehensive approach to the reduction of incidence and impact of diabetes	<p>These indicators measure:</p> <ul style="list-style-type: none"> the effectiveness of the healthcare system in identifying the number of Hutt Valley residents with diabetes and following these up with a free diabetes health check. (Diabetes detection and follow-up rate); <p>(continued over page)</p>	<p>Respective targets are:</p> <p>Detection Total 77%, Maori 50% Pacific 85%, Other 75%</p> <p>Management Total 70%, Maori 54% Pacific 44%, Other 76%</p> <p>Screening Total 80%, Maori 80% Pacific 80%, Other 80%</p>	<p>Achievements</p> <p>Detection Total 73%, Maori 40% Pacific 78%, Other 83%</p> <p>Management Total 72%, Maori 58% Pacific 49%, Other 78%</p> <p>Screening Total 73%, Maori 73% Pacific 73%, Other 74%</p>	Partially Achieved

Statement of Objectives and Service Performance

Annual Objective	Measure	Target 2004/05	Response	Achieved
	<p>have their diabetes under control (i.e. have an average blood sugar reading of HbA1c less or equal to 7%). (Diabetes management rate)</p> <ul style="list-style-type: none"> The number of residents who have received a free diabetes annual check and have received retinopathy (eye screening). (Diabetic retinopathy screening). <p>These indicators measure the DHB's progress in reducing health inequalities between different population groups</p>			
Improve Childhood Immunisation Rates	High immunisation coverage is necessary to prevent vaccine preventable disease in individual children, and in the general population. The national target is that 95% of all children should be fully vaccinated (i.e. have received all 5 immunisations at various stages in their first two years) at age two years by 2005.	88% of all children in the Hutt Valley will be fully immunised by age 2.	Average of 88%	Achieved
Manage Acute Demand pressures on provider arm	<p>Ambulatory Sensitive Hospitalisations are admissions that are potentially preventable if patients are treated appropriately by either their general practitioner or services they receive as outpatients. This measure provides an indication of access to, and the effectiveness of, primary care in particular. If there is good access to effective primary care and quality outpatient services, then it is reasonable to expect that there will be lower levels of ambulatory sensitive hospitalisations.</p> <p>These indicators measure the DHB's progress in reducing health inequalities between different population groups.</p>	<p>Ambulatory Sensitive Admission Targets</p> <p>Discharge Rate per 1000 population</p> <p>Children 0-4 Total 90, Maori 85, Pacific 115, Other 90</p> <p>Children 5-14 Total 21, Maori 21 Pacific 31, Other 20</p> <p>Children 15-24 Total 15, Maori 17 Pacific 13, Other 14</p> <p>Adults 65-74 Total 74, Maori 115 Pacific 120, Other 70</p>	<p>April 2004- March 2005 data:</p> <p>Children 0-4 Total 107, Maori 108, Pacific 141, Other 101</p> <p>Children 5-14 Total 27, Maori 27 Pacific 43, Other 24</p> <p>Children 15-24 Total 17, Maori 22 Pacific 16, Other 16</p> <p>Adults 65-74 Total 76, Maori 132 Pacific 188, Other 69</p>	Achieved

Statement of Objectives and Service Performance

Annual Objective	Measure	Target 2004/05	Response	Achieved
Advance Management of Referred Services	This target measures how well the Funder is able to control the budget that has been allocated for pharmaceutical and laboratory costs. This measures our ability to control a key strategic risk.	Pharmaceutical and laboratory costs do not exceed growth of 2.5% on 2003-04 year – end position.	<ul style="list-style-type: none"> •Pharmaceuticals 5.5% •Laboratory 1.7% 	Not Achieved

Cost of Services

for the year ended 30th June 2005

	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Operating income	243,068	228,711	228,215
Operating expenses	(241,620)	(227,959)	(227,129)
Net operating Surplus/(Deficit)	1,448	752	1,086

Major Variations from the Statement of Intent

The main variations from the Statement of Intent involve the Meningococcal B program which was funded by the Ministry of Health during the year and also Primary Health Organisations top up funding received during the year. This additional revenue has largely been offset by expenditure with the exception of a portion of the Meningococcal B funding received which has been deferred due to the program implementation timeframe.

Statement of Objectives and Service Performance

DHB Governance & Administration Output Class

This dimension of Hutt Valley DHB refers to the governance, management and administration activities relating to the allocation of funds. This captures and reports on the cost of resources engaged in undertaking funding activities, such as needs assessment, contracting with providers and monitoring the providers.

Service Performance

Annual Objective	Measure	Target 2004/05	Response	Achieved
Governance Training in place	Good governance requires training and support particularly for new members who are new to governance.	100% of Board members (new and existing) have received governance training by 30 June 2005	<p>All newly elected Board Members have undergone a Board Member Induction / refresher session conducted by the Ministry of Health in December 2004.</p> <p>At the time of this training, appointed members were not named.</p>	Partially Achieved

Statement of Objectives and Service Performance

Cost of Services

for the year ended 30th June 2005

	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Operating income	3,236	2,350	2,413
Operating expenses	(2,797)	(2,211)	(2,157)
Operating Surplus Before Depreciation, Capital Charge and Interest	439	139	256
Depreciation	(3)	(2)	(2)
Net Operating Surplus/(Deficit)	436	137	254

Major Variations from the Statement of Intent

The major variations from the Statement of Intent include interest revenue received during the year on additional funding received, Meningococcal B funding and National Immunisation Register funding. Expenditure has been incurred to offset this revenue for the Meningococcal B campaign and the National Immunisation Register however, the interest revenue has impacted directly on the result for Governance.

Statement of Objectives and Service Performance

Provider Services

This dimension of Hutt Valley DHB refers to the provision of health and disability services incorporating the hospital and public and community health services

Service Performance

Annual Objective	Measure	Target 2004/05	Response	Achieved
Meet Elective Services Waiting Time Targets	These indicators measure: <ul style="list-style-type: none"> the effectiveness of the DHB to control the number of people waiting longer than six months for elective services. 	<ul style="list-style-type: none"> 100% of people waiting for first-specialist assessments will not wait longer than 6 months by 30 June 2005 (subject to them being available for the assessment) 	<ul style="list-style-type: none"> 89% 	Partially achieved
		<ul style="list-style-type: none"> 100% of patients given certainty receive treatment within 6 months 	<ul style="list-style-type: none"> 72% 	Partially achieved

Statement of Objectives and Service Performance

Annual Objective	Measure	Target 2004/05	Response	Achieved
Improve child dental health	<p>These indicators measure the dental health of young children enrolled with the school dental service. The particular measures are:</p> <ul style="list-style-type: none"> • The number of children who do not have any caries at age 5 (caries-free). The higher the score, the better the dental health of the child. • The number of Form 2 pupils with permanent teeth that are not filled or missing due to caries (Mean DMTF). The lower the score, the better the dental health of the child. <p>These indicators measure the DHB's progress in reducing health inequalities between different population groups.</p>	<p>The respective targets for 2004/05 are:</p> <p>Caries-free Total 61%, Maori 40%, Pacific 33%, Other 70%</p> <p>Mean DMTF Total 0.8, Maori 1.1 Pacific 1.1, Other 0.8</p>	<p>Achievements at 30 June 2005:</p> <p>Caries-free Total 54%, Maori 35%, Pacific 29%, Other 63%</p> <p>Mean DMTF Total 0.9, Maori 1.3 Pacific 1.1, Other 0.8</p> <ul style="list-style-type: none"> • Oral Health Targets are assessed annually. • The year end 2004 data suggest that oral health in 5-year-old children continues to provide significant challenges as a result of disease levels in a greater than predicted proportion of preschool children and difficulties for the school dental service in targeting preschool children with limited staffing. However, all groups are slightly improved on 2003. • In 12-year-old children targets have been met or exceeded for all groups except Maori where the DMFT slightly exceeds the target. This data suggests that the School Dental Service is having a positive effect on oral health outcomes at 12 years, although significant challenges addressing inequalities remain, particularly for Maori oral health. <p>The service aims to address this issue through a service provision strategy that ensures children at highest risk of dental disease are seen more frequently using a dental disease risk assessment</p>	Partially achieved

Statement of Objectives and Service Performance

Annual Objective	Measure	Target 2004/05	Response	Achieved
Implement the findings of the Emergency Department (ED) Review	Implementation of the ED review should ensure that the waiting time for people attending the Hutt Valley DHB's Emergency Department meets the Ministry of Health's recommended guidelines for waiting. A Triage level describes the urgency in which the patient must be seen with Level 1 the most urgent.	Triage level Category 1: Immediately 2004-05 target - 100% Category 2: Within 10 minutes 2004-05 target - 90% Category 3: Within 30 minutes 2004-05 target - 60%	Triage level Category 1: Immediately Achieved - 100% Category 2: Within 10 minutes Achieved - 72% Category 3: Within 30 minutes Achieved - 43%	Partially Achieved
Ensure health and disability services provided are safe, people-centred and of a high quality	Accreditation against the Quality Health NZ quality standards, combined with certification against the Health and Disability Sector Standards, National Mental Health Standards, Restraint Minimization and Safe Practice and Infection Control ensures health services are safe, people-centred and of high quality.	Re-accreditation achieved by October 2004		Achieved
Implement a provider arm workforce development plan and commence implementation	Implementation of a workforce plan for the hospital should result in lower staff turnover rates and improved stability rates. Stability rates are defined as staff that have remained with the organisation for more than 2 years.	Measure Staff Turnover rate 2004-05 Target - 13% Stability rate 2004-05 Target - 98%	Measure Staff Turnover rate Achieved - 16.8% Stability rate Achieved - 97.8%	Partially Achieved

Statement of Objectives and Service Performance

Cost of Services

for the year ended 30th June 2005

	Year To June 2005 Actual \$000	Year To June 2005 Budget \$000	Year To June 2004 Actual \$000
Operating income	134,968	124,118	124,391
Operating expenses	(122,318)	(109,725)	(110,954)
Operating Surplus Before Depreciation, Capital Charge and Interest	12,650	14,393	13,437
Gain / (loss) on sale of assets	(50)	-	743
Depreciation	(6,441)	(7,186)	(6,659)
Capital charge	(6,777)	(6,785)	(7,405)
Interest expense	(1,214)	(1,258)	(1,226)
Net Operating (Deficit)	(1,832)	(836)	(1,110)

Major Variations from the Statement of Intent

The provider arm has received additional funding from the Ministry of Health to cover costs incurred in relation to the Nurses pay settlements. The provider has also received funding for the Meningococcal campaign and the orthopaedic joint initiative. The major source of expenditure increases is in relation to personnel expenditure.

Statement of Responsibility

1. The Board and management of Hutt Valley District Health Board accept responsibility for the preparation of the financial statements and the judgements used in them;
2. The Board and management of Hutt Valley District Health Board accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. In the opinion of the Board and management of Hutt Valley District Health Board, the financial statements for the period ending 30 June 2005 fairly reflect the financial position and operations of Hutt Valley District Health Board.



Peter Glensor
Chairman



Chai Chuah
Chief Executive



Patrick Hussey
Chief Financial Officer

Audit Report

To the Readers of Hutt District Health Board's Financial Statements for the year ended 30 June 2005

The Auditor-General is the auditor of Hutt District Health Board (the Health Board). The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Health Board, on his behalf, for the year ended 30 June 2005.

Unqualified opinion

In our opinion the financial statements of the Health Board on pages 26 to 52:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Health Board's financial position as at 30 June 2005;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 22 September 2005, and is the date at which our opinion is expressed.

The basis of the 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 did not have material misstatements, whether caused by fraud or error.

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

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

Audit procedures generally include:

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

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

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

Responsibilities of the Board and the Auditor

The Board is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Health Board as at 30 June 2005. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001, section 43 of the New Zealand Public Health and Disability Act 2000, and the Public Finance Act 1989.

Independence

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

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



S B Lucy

Audit New Zealand

On behalf of the
Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the Hutt District Health Board for the year ended 30 June 2005 included on Hutt District Health Board's web site. The Board is responsible for the maintenance and integrity of the Hutt District Health Board's web site.

We have not been engaged to report on the integrity of the Hutt District Health Board's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. 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 related audit report dated 22 September 2005 to confirm the information included in the audited financial statements presented on this web site.

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





VALUES: WORKING TOGETHER: WITH OUR PROVIDERS, COMMUNITY GROUPS AND OTHER AGENCIES;

LEADERSHIP: within our community and through setting a positive example;

RESPECT: for each other and the rights of individuals;

COMMUNICATING

EFFECTIVELY: with our community, with our staff and our clients;

CARING: for our community and for each other; and

EXCELLENCE: in all that we do.



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2005

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