HUTT VALLEY DHB

2007

annual report

HUTT VALLEY DISTRICT HEALTH BOARD

Annual Report for the year ended June 30 2007

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MIHI/WELCOME

MIHI

ihei Mauriora

He honore he kororia ki te Atua

He maungarongo ki te whenua

He whakaaro pai ki ngā tāngata katoa

E mihi ana tēnei ki a Te Atiawa ōtira ki ngā iwi o te motu e noho mai nei i roto i te rohe o Awakairangi arā Te Upoko o te Ika.

Tēnei te karanga, te wero, te whakapā atu ki a tātou katoa kia hōrapa, kia whakakōtahi o tātou nei kaha ki te whakatikatika o tātou māuiui.
Hei aha Hei oranga mō te tangata.

WELCOME

All honour and glory to our maker

Let there be peace and tranquillity on Earth

Goodwill to Mankind

The Hutt Valley District Health Board respects Te Atiawa and acknowledges the community of the Hutt Valley.

This is the cry, the challenge to all concerned to collectively unite our efforts in addressing and improving the health needs of the community.

HIGHLIGHT: Hutt Hospital's new Breast Centre brings regional breast services all under one roof...

... and provides greater capacity to cope with the extended age range for free breast-screening.

From 2004 the age range for women entitled to free mammograms every two years under the BreastScreen Aotearoa national screening programme was extended from 50-64 years to 45-69 years. This dramatically increased the breast-screening workload in the region and lead to our board approving development of the new $2.7 million Breast Centre on the Hutt Hospital campus.

The new facility, opened by Health Minister Pete Hodgson in September last year, not only greatly increases screening capacity, but also brings together screening and diagnostic mammography services under one roof, where previously they had been at two distant sites on the campus. Symptomatic radiology and outpatients services have also shifted into the centre. Breast Centre staff are now all working in the same place, allowing more effective workflows, and women find it much more convenient to get all their care in the same place.

In 2006/07, 19,500 women were screened by the Hutt-based regional service, and this year the aim is 22,075 mammograms, of which 15,000 would be done at the Breast Centre.

Women attending the Breast Centre have given very positive feedback — they have found it a pleasant environment, which doesn't feel like a hospital, with greater privacy for themselves and their families, and good access for parking. Staff have also found the new centre a pleasant and effective workplace and easier contact with colleagues across the multi-disciplinary team has been greatly beneficial for clinical outcomes.

A centre for breast care

HIGHLIGHTS AT A GLANCE

- Hutt Hospital became the first New Zealand hospital to be awarded Magnet status for its excellence in, and support of, nursing. Only one other hospital outside the United States has Magnet status, which research has shown indicates a higher level of patient outcomes and a greater ability to recruit and retain nurses and other staff.
- Hutt Valley and Capital & Coast DHBs joined together to tender community laboratory services around the greater Wellington region. We reached an agreement with Aotea Laboratories which retained levels of access and service and at the same time saved the two DHBs more than $30 million over five years.
- The DHB along with other agencies supported a pilot programme to retrofit older cold houses in the Hutt Valley. The aim is to provide warm, healthy homes to people who have, or are at a high risk of ill health – those with limited means, the very old, the very young or those with chronic conditions.
- The Minister of Health, Pete Hodgson, opened the new Breast Centre at Hutt Hospital which brings together breast screening and symptomatic services in one building, while maintaining women's privacy. It brings the BreastScreen Central administration and clinical teams together and is the key to the service providing mammography to women aged between 45 and 69.
- Regional Public Health's Health Promoting Schools programme saw 10 low decile Hutt Valley schools receive grants to undertake activities aimed at improving students' health. These included supporting healthy lunch and exercise programmes.
- The Mum4Mum programme trained women to be community supporters to mothers to help them establish and continue breast feeding as a way of increasing the percentage of local women who breast feed their babies.
- The Capital & Coast and Hutt Valley DHBs agreed that the Regional Plastic, Maxillofacial and Burns Service would remain permanently centred at Hutt Hospital, after years of uncertainty that it would shift to Wellington Hospital.
- The DHB launched a major project to bring elective surgery in line with the Ministry of Health's elective surgery performance indicators (ESPIs). Hospitals must provide first specialist assessments and surgical procedures within six months of making the commitment. Hutt Valley DHB took a different track to other DHBs in that it honoured its promise to people to whom it had accepted for a first specialist assessment or given certainty of treatment for an operation, instead of referring those people back to their GP in order to comply.
- Because of Hutt Hospital's capacity restraints, Hutt Valley DHB reached an agreement with a private hospital in Wellington to undertake extra surgery there, but within public health service rates. Oral, dental, ear, nose and throat and general surgery operations were undertaken there. This was a major factor in the DHB being able to reduce the backlog of surgery.
- A second floor operating theatre was built in Hutt Hospital's maternity unit for caesarean sections and some other procedures, easing pressure on the hospital's main operating block.
- Hutt Hospital's first MRI scanner was installed alongside a new CT scanner.
- Planning for extensions to Hutt Hospital's emergency department and operating theatre block continued with the DHB's strategic analysis being approved by the National Capital Committee. The committee will consider a full business case for the expansion in December 2007.
- For the fifth year in a row, Hutt Valley DHB posted a small surplus.

CHAIR'S FOREWORD

It is my pleasure to present Hutt Valley District Health Board's annual report for the year ended 30 June 2007.

This has been a year of significant achievement in the face of many pressures.

Again we have achieved a small surplus - $39,000 – which is a remarkable result on an operating income of over $336 million. Achieving a balanced budget this year has been especially pleasing because the pressures on us have been even greater than in previous years.

Prolonged industrial action and the requirement to meet the Government's compliance standards for our elective waiting lists, placed enormous stresses on our staff and our finances.

In spite of our sound financial management at present, I need to send a signal about Hutt Valley District Health Board's financial position. Last December we were told that because of demographic changes — our population is not growing as fast as in other parts of the country — our DHB is now classified as being overfunded. This will have quite serious implications in coming years.

In practical terms, we won't get any increased funding for population growth - only cost-of-living increases. In fact we will start to have money taken from us progressively to bring us back in line with the population-based funding formula.

So how do we cope with this challenge? Will we be forced to cut services or to overrun our reduced budget? No — what we have to do is to exercise extremely tight financial discipline, which is what we've already been practising.

I am confident that we now have a track record of excellent financial management — for five years we have achieved budget break-even or better — so it can be done. But it will take an enormous effort and a focussed and united approach on behalf of us all - Board, management and staff.

One of the achievements I am most proud of this past year is that our Hutt hospital has been declared a Magnet hospital. Only one other hospital outside the United States has this prestigious accreditation, which involved a rigorous survey by overseas examiners. Magnet is a nursing-based quality standard.

Already it is bringing practical benefits in terms of recruitment and retention — nurses want to come and work at Hutt hospital. It also emphasises interdisciplinary co-operation and teamwork, which are values we have long espoused.

At Hutt Valley DHB we pride ourselves on our relationship with our community. That relationship was tested to the full when we joined with Capital & Coast DHB to tender for community laboratory services across Wellington, Porirua, Kapiti and Hutt Valley.

The process resulted in the existing providers becoming the successful tenderer - a joint venture between Valley Diagnostics and Capital Laboratories , now called Aotea Laboratories,. It also resulted in a projected saving of $30 million for the two DHBs over five years, while maintaining service levels and collection points.

It was a very difficult and emotive process. For example, I spoke to a meeting of 300 angry people who feared that the tender process was going to mean they would lose their current access to high quality testing.

However, in the end, it showed two things. When we said we had built in to the tender specifications continued availability of collection services at the same level, we meant it. And we ran a process with a very high level of integrity, which meant that, when we reached a decision, it could not be challenged.

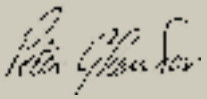
Another challenge we met on our own terms was the Ministry of Health requirement for new elective waiting list performance targets. Not only have we put in place a process that will guarantee that people will be seen for their first assessment within six months or get their operation within six months of their referral, but we did so without dumping people from our lists. We honoured the promise we made to people, even though it meant a lot of extra work.

Finally, I'd like to acknowledge two things. First is the ongoing strong working relationship with our community, which I think is a feature and a strength of our DHB.

Secondly, in the coming year we're looking at major developments on our hospital campus – enlarging our Emergency Department, and building new operating theatres. This is a tough challenge - we're talking about approximately $80 million spend - but it's also exciting. We face it with confidence because we have clearly established the need for the improvements, and because our history of strong financial management means we can sustain the capital investment. In fact, without this development, the DHB will face on-going financial and clinical issues, as demand continues to grow.

Our Board is coming to the end of its three-year term, with local body elections in October. Ours has been a particularly well functioning Board, and I want to pay tribute to the contribution all the members have made over the past three years.

And I want to thank our Chief Executive, Chai Chuah, and all the team, for the excellent way they continue to work for the benefit of our Hutt Valley community. We are indeed fortunate to have such a high performing DHB team.



Peter Glensor
Chair

BOARD MEMBERS

(top)
Peter Glensor (Chair), Chai Chuah (Chief Executive), Chris Cunningham, Peter McCardle, Keith Hindle
Pat Christianson

(bottom)
Catherine Love, Ray Wallace, David Ogden, Katy Austin, Ken Laban
Sharron Cole (Deputy Chair)

CHIEF EXECUTIVE'S REPORT

Our mission, as the funder of health services and provider of hospital services to the people of the Hutt Valley, is healthy people, healthy families and healthy communities.

Behind this mission are words like integrity, openness, transparency and innovation. But these aren't just words to us — these are the values that have guided us this past year.

We've worked hard not to lose sight of our purpose over the last 12 months.

Our emphasis on integrity and on working together for healthy communities kept us focused as we strived to meet the deadline set by the Minister of Health to revamp the way we handled our elective waiting lists.

We were the only district health board which didn't meet the deadline because we decided we would fulfill our promise to the community. That promise was that everyone who had been given certainty of treatment for an operation or had been accepted for an outpatient appointment, would receive their operation or appointment, even though it meant the process took longer, and we had to do extra work that we weren't funded for.

Another illustration of that commitment to our community is that we are not afraid to work alongside health providers when they need help. Cooperation reached a new level when we helped a local aged-care residential facility improve its clinical care this year after an event and subsequent audit showed some significant issues. This was an example of our commitment to working together for the best outcome.

And when the previous provider pulled out of the regional eating disorder service in Johnsonville, our DHB mental health service stepped into the breach. The transition was handled well in difficult circumstances.

We are also contributors to the Hutt Housing Steering Group's retrofitting project — insulating cold, draughty homes. Our contribution included funds and personnel, and our public health nurses providing clinical assessments — the health benefits of warm dry homes, particularly for those with chronic diseases, are quite clear.

There have been times when we could have done better in the way we consulted our community, and we've taken to heart the lessons learned in the process of tendering out the community laboratory services.

We have tried to make honesty, respect and integrity our watchwords in our dealings with the Hutt community, even when we've been dealing with quite complex and difficult issues. We try our level best to consult and engage before we make the tough decisions.

The health service we provide only happens because of our people. Therefore we have been paying close attention to our workforce and the kind of culture we are creating in our organisation.

We are looking harder at how we involve our staff in the decision-making that shapes our service. The involvement of staff was crucial in our achieving Magnet hospital status this year. This nursing-based quality standard was a very important achievement for us — we are only the second hospital outside the US to have this accreditation, which highlights the quality of the care we provide and the quality of our workforce. And the Magnet assessors took into account too, the close relationship we have with our community.

All the people working in the health sector in the Hutt Valley are important and we must be prepared to work with providers to develop the health workforce as a whole. The primary sector and the aged care sector are two areas where we all must work together to ensure the workforce is appropriately supported to provide the services our community needs.

The Hutt Valley DHB's culture is the key foundation on which we must continue to build. We've made a good start, but the challenges of the future require us to push the boundaries and look closely at how our culture needs to evolve – we need to look at new ways of delivering health services.

For example, we want to keep asking ourselves what it means to deliver 'patient-focused care''. This is happening already but we need to keep looking at the way we deliver care and how we engage with patients and their families.

We have a number of projects on patient-focused care already underway. Our breast-screening service has started to develop a project called ``easy screen'' where women can make their own bookings, choosing days and times that suit them. Although doctors and nurses are still the ones who know what to do clinically, input from patients and their families can only enhance our service.

Making our health services responsive to the community around us means we have to pay close attention to the way our community is changing. Age groups and ethnicities are shifting in the Hutt Valley, and the younger generation have different expectations, whether as patients or as an increasing part of our workforce.

In trying to deliver the best care, we also have to think about where to put our money — do we invest in human resources, new facilities, different methods of delivery? As I said before, we must continue to invest in the health sector's staff — they all need to be involved in continuing education.

We must also continue to look at our processes, how we do things and how we involve staff and the community. We want staff to be frank with management about what does and doesn't work, but also to be open to hearing what management thinks is good or bad.

Over the year there has been a clear sense that our organisational culture is maturing, that clinicians and management, with the support of the board, have been able to openly confront the tough issues and work together to solve them. Nor can we neglect infrastructure, as shown by our investment in new CT and MRI machines for our radiology service. Equipment, plant and information systems need to be kept up-to-date and the best equipment attracts the best staff.

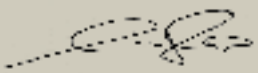
Overall, we want to improve the services we provide to our community, how we provide them and who we get involved in making those decisions. We also want to be upfront about what resources, whether it be workforce or money, are available to achieve those things.

We now find ourselves classified as an over funded board, to the tune of $5 million, which raises a huge challenge as to how we travel into the future. A balance has to be found between providing a quality service and being responsive to the community, and being fiscally responsible. Therefore we need to focus on where we want to go, but equally we have to pay attention to some more short-term issues, including the limits of our workforce, financial pressures and community expectations.

One of our challenges is industrial relations, which is increasingly done at a national level and this year we had a number of industrial actions that had a significant impact at a local level.

In the end though, we mustn't forget that we cannot do anything but work with our staff, our community and each other. In that light we will be putting increased effort in the coming 12 months into working with primary care to ensure we all can meet the challenges in that part of the health sector. And we'll also be working to finalise the planned emergency department/operating theatre expansion, which is such an important factor for the future of both the primary and secondary sectors in the Hutt Valley.

We have laid some strong foundations in the past 12 months and I want to thank our Board, our staff, health providers throughout the Hutt Valley and our community for yet another year of huge endeavour.



Chai Chuah
Chief Executive

STATEMENT OF PURPOSE

VISION MISSION AND VALUES

The vision, mission and values set out here are incorporated in the Hutt Valley District Health Board's 2006-2011 Strategic Plan. They lie at the heart of our organisation.

VISION

Whanau Ora ki te Awakairangi
Healthy people, healthy families and healthy communities are so inter-linked that it is impossible to say one comes first and then leads to another – hence we have placed them in a circle.

MISSION

Working together for health and wellbeing
Our mission shows the DHB's commitment to a co-operative way of working – that includes our staff working co-operatively; working together with the people and organisations we fund, organisations from other sectors, and with our community.

VALUES

'Can do' – leading, innovating and acting courageously
Hutt Valley DHB is already acknowledged in the New Zealand health sector as an organisation that will try new things in order to make a difference. We will continue to do that and to be ever more innovative, in order to improve the health of Hutt Valley people.

Working together with passion, energy and commitment
Hutt Valley DHB's people work with passion, energy and commitment to each other, to their clients and their community.

Trust through openness, honesty, respect and integrity
The trust of those we work with and those we work for is fundamental to achieving good results. To be trusted, we will be open, honest, respectful and act with integrity in everything we do.

Striving for excellence
Striving for excellence in everything we do is a key Hutt Valley DHB value – we look for excellence in ourselves as individuals and collectively as an organisation. We look for it in the services we provide, the way we treat each other, the systems we put in place and the achievements we make.

HIGHLIGHT: Given the chance, students are quite capable of coming up with good ideas ...

... for making their schools healthier.

This is what Regional Public Health staff have found as they've introduced the Health Promoting Schools concept to low-decile schools in the Hutt Valley. They've also found that getting students involved in running health campaigns in the schools makes them more effective.

The kind of foods sold at schools is a big issue, and kids have become involved in dealing with it, such as by running surveys to find out what students would like to have available.

Last year Hutt Valley District Health Board provided $5000 grants to 10 low decile schools for health promotion projects and a further three will receive them in the coming year.

Projects have included a sandwich-making lunch scheme using produce from the school's garden, two other schools working with their local bakeries to provide healthier bought lunches, and students at another school decorating it with murals to give them a sense of belonging and ownership and to reduce tagging.

Since the last term in 2006, some Hutt primary schools have also been benefiting from the national Fruit in Schools programme, with children in five Naenae and Taita schools munching their way through buckets of apples, oranges, pears, pineapples, watermelons and feijoas. The programme provides children in low-decile schools with one piece of fruit a day for three years.

The local fruit supplier keeps in close touch with the schools, showing them how to handle and cut up fruit, and getting instant feedback on what the children like. Some schools have adjusted their routines around a special daily fruit break, when everyone sits down to eat their fruit together.

Students put their minds to health

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HIGHLIGHT: Hutt Hospital is internationally renowned for its plastic, maxillofacial and burns unit...

... which has been based in the Valley for more than 50 years - and it won't be shifting anywhere else.

It was originally intended that service would move to the new Wellington regional hospital being built in Newtown and which is scheduled to open at the end of 2008. During the year Capital & Coast and Hutt Valley DHBs agreed that its base in the future would continue to be Hutt Hospital.

The Wellington Regional Plastic, Maxillofacial and Burns Unit serves the country's central region and, for some specialist work, the whole country. It employs 11 consultants — eight plastic surgeons and three oral and maxillofacial surgeons, who offer a wide range of specialty services.

Clinicians, management and the boards of both DHBs looked to give the service certainty for the future. Hutt Valley DHB committed to ensuring increasing the specialty's on-site presence at Wellington Hospital.

Hutt Hospital's Intensive Care Unit capacity is also being increased, which will give greater support to the plastic service.

The agreement between the two boards fits in with a 'hub and spoke' model for the regional service, recommended in a review of plastic services in 2004. Under this approach, more and more of the straight forward, routine plastic surgery will be undertaken at hospitals around the region (the spokes), while more complex cases are undertaken at Hutt Hospital (the hub).

This allows for a significant service to be developed at Wellington Hospital without the need to shift the whole unit from Hutt Hospital.

Plastic and burns unit stays home in the Hutt

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HUTT VALLEY DHB PROFILE

The Hutt Valley District Health Board (DHB) is responsible for planning, funding and providing government-funded health care and disability support services for the 141,400 people who live in the Hutt Valley. Of these, 101,500 people live in Hutt City and 39,900 in Upper Hutt City. 17% of the people who live here are Maori and 8% are Pacific peoples. Fewer Maori and Pacific people (as a percentage of the population) live in Upper Hutt than Hutt City. More of the Maori and Pacific people who live here are younger than other ethnic groups - half of the Maori and Pacific people here are aged under 25.

We also have significant Asian and refugee populations.

The Hutt Valley DHB employs over 2200 people, most of whom work at Hutt Hospital and for our community and regional health services. This part of the DHB is often referred to as our 'provider' arm.

An 11 member board has governance and strategic oversight of the Hutt Valley DHB. The board is comprised of seven community-elected members in addition to the four members who are appointed by the Minister of Health.

The board has responsibility for delivering objectives in local and national health within a current annual budget of approximately 362 million.

The Hutt Valley DHB was established on 1 January 2001. Over the 2006/2007 year the DHB has provided a wide range of services and implemented a number of initiatives in order 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 in the community.
- Promote the inclusion and participation in society of people with disabilities.
- Better co-ordinate health services in the Hutt Valley, for example, General Practitioner and hospital-based services.

Providing the wide range of services involves buying services from a diverse range of health and disability service providers which includes:

- General Practitioners.
- Maori and Pacific health providers.
- Mental health providers.
- Rest homes.
- Pharmacies.
- Private laboratories and hospitals.

BOARD MEMBERS REPORT

This is the Hutt Valley DHB's statutory report that covers the 12 month period from 1 July 2006 to 30 June 2007.

PRINCIPAL ACTIVITIES

Hutt Valley DHB is responsible for funding all local personal health, mental health, Maori health and Pacific people's 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, Kapiti, Wellington and the Hutt Valley. The community mental health services have sites situated in the Hutt Valley and certain physiotherapy services are provided from an Upper Hutt base.

In addition, the DHB contracts local providers to deliver a wide range of community health services to the people of the Hutt Valley.

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, rehabilitation, hospital dental services and an associated child oral health service which provides the school dental service to the greater Wellington region.

COMMITTEES OF THE BOARD

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

BOARD MEMBERS' INTERESTS

There have been no financial transactions during the period which required Board Members to declare an interest.

Hutt Valley DHB has arranged policies for Board Members' liabilities 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 to breaches of law.

BOARD MEMBERS' REMUNERATION

Please refer to Note 20, Page 51 for details of the remuneration paid to Board Members of the Hutt Valley DHB during the period.

REMUNERATION OF EMPLOYEES

The number of employees (excluding Board Members) whose annual income was within the specified bands is listed in Note 21, Page 52.

The Chief Executive's remuneration was in the $310,000 - $319,999 bracket.

Of the 98 employees shown whose remuneration is over $100,000, 79 are medical or dental employees compared with 74 as at July 2006.

If the remuneration of part-time employees was grossed up to a full-time equivalent role, the total number of salaried employees over $100,000 would be 169, compared to the actual number of 98.

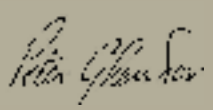
TERMINATION PAYMENTS

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 payments, redundancy and gratuities. During the year Hutt Valley DHB made payments to former employees in respect of termination of employment with the Board, (please refer to Note 21, Page 52).

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

HIGHLIGHT: Hutt Valley and Capital & Coast DHBs joined together to tender community laboratory services...

... for the greater Wellington region. This was controversial because people believed they might lose services.

The two DHBs followed a strict tendering regime, based on Auditor-General Office guidelines, which meant that they would nominate a preferred tenderer and negotiate with that tenderer first. In the event the preferred tenderer was not either of the existing providers in the Wellington or Hutt Valley areas, but rather a consortium of Capital & Coast DHB's hospital laboratory supported by a major private community laboratory provider.

After negotiations with that consortium could not be concluded, the DHBs then began negotiating with a joint venture of the two existing community laboratory providers and eventually came to an agreement which saved them a total of more than $30 million over five years.

The new provider, now operating as Aotea Laboratories, provides as many collection points and turnaround times for results as good as the previous providers. In fact, these were conditions of the tender in the first place.

While this process was difficult for both the community and the DHBs, it was necessary to ensure a sustainable, cost effective, long-term service and the result was a very smooth transition for the people of the region.

That was testimony to the robustness of the process followed by the two DHBs.

Sustainable laboratory services for local people

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HIGHLIGHT: Waiting times for people's first appointments with specialists and for elective operations...

... have long been an issue in New Zealand, with many patients waiting months and years.

At the Minister of Health's direction, the Ministry of Health has been working with district health boards to improve their compliance with elective surgery targets. One of those targets was that no-one should be waiting longer than six months for their first specialist assessment, and then if they needed surgery, they should have their operation within six months.

The Ministry of Health said that all DHBs had to meet those targets by 30 September 2006. Hutt Valley DHB did not dump people off elective surgery waiting lists, as other boards did, in order to meet those targets. Hutt Valley DHB said it would honour its promise to everyone waiting for a first specialist appointment or who had been given certainty of treatment for an operation.

It meant a lot of extra work to get those people treated and because there was no extra capacity in Hutt Hospital's four operating theatres, we made arrangements to use private facilities in Wellington.

By taking this stance Hutt Valley DHB missed the Ministry of Health deadlines but the principle at stake was honesty to the community. It was also important to have our specialist surgeons alongside management to ensure that compliance is sustainable. All Hutt Hospital's surgical services are now complying with the performance measures and have sustained that compliance.

The outcome is that Hutt Hospital now has new robust systems for managing its waiting lists, and that the DHB retains the trust and confidence of its clinical staff and its community.

Hutt Valley DHB honours its promise

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SUMMARY OF ACTIVITIES

REDUCING INEQUALITIES

We are focusing on analysing and reducing health inequalities, especially in the areas of diabetes, oral health, cancer and Maori and Pacific health. This has included ongoing education of DHB staff about inequalities, with presentations given to many groups throughout the Hutt Valley.

PRIMARY HEALTH

The DHB is working with all six primary health organisations and Kowhai Health Trust to improve access to primary health care services, particularly for those with high needs and chronic conditions.

- By the end of March, four primary health organisations (PHOs) had achieved uptake levels of more than 50 percent for CarePlus, the Government's funding package for high needs patients, and a fifth is close to that level. Valley PHO is working to improve use of CarePlus and has run workshops with practice staff to encourage greater uptake at practice level. The small size of many of Valley PHO practices and staff pressures within those practices does limit their ability to get involved with chronic disease management.
- MidValley PHO is making good progress with its primary mental health services pilot, which is now fully staffed. It is one of the few PHOs in the country providing data for a Ministry of Health evaluation. Piki te Ora ki Te Awakairangi PHO now has 130 clients receiving services from its mental health pilot, while MidValley PHO has helped Valley PHO apply for a pilot which will be set up in the 2007/08 financial year if the application is successful.
- The arrangement to fund the 11.00pm-8.00am Lower Hutt after hours GP service, set up in November 2005, is continuing, with all six PHOs contributing to the cost, based on the size of their enrolled populations. The DHB pays for the proportion of the population who are not enrolled in Hutt Valley PHOs. However numbers using the service have dropped and the DHB and PHOs are continuing discussions on the long-term future of after hours GP care in the Hutt Valley.
- Throughout the year, we have monitored fees set by PHO general practices to make sure they support low and reduced-cost access. The four interim PHOs all set lower fees in line with the Government's increased bulk funding for the 25-44 age group. Piki te Ora's three medical centres and one of Valley PHO's practices, Petone Medical Centre, qualified for the additional very low cost access funding by dropping their fees to the required levels.

  We referred two requests by GP practices to raise fees to the Fee Review Committee. The committee approved one of these increases and declined the other.
- We are continuing to work with PHOs and other service providers, such as Kowhai Health Trust, Tu Kotahi Maori Asthma Trust and Hutt Hospital staff, to improve the care of people with chronic disease. For example, we have arranged with Kowhai Trust to analyse different cardiovascular and diabetes risk assessment tools. Ropata Community PHO is piloting the use of one tool and Family Care PHO is considering the same. We want to make sure that different risk assessment tools adopted by PHOs will still allow the DHB to collect data and analyse different population groups across the district.

SUMMARY OF ACTIVITIES CONTINUED...

- Hutt Valley PHOs have been working on health promotion, dedicating additional staff time to that area, and working on plans in areas such as Healthy Eating — Healthy Action. Three PHOs have been involved in the Mum4Mum breastfeeding initiative and PHOs were also involved in the development of the Cancer Action Plan. A facilitator will be appointed to oversee service improvements for cancer patients.

PRIMARY SHORTAGE

The Hutt Valley is suffering a shortage of GPs and primary health nurses and we are working with primary providers to find ways to increase numbers. We will need to work even closer with primary care to jointly develop solutions to this issue. The DHB and providers are continuing to fund the new graduate programme for primary health care nurses and PHOs and other primary providers are using our Healthy Job web pages to advertise vacancies.

DISEASE SERVICES

- We have consulted with local Maori and Pacific communities about the effectiveness of our diabetes services. The hui supported setting up specific Maori and Pacific positions and services for diabetics. Referrals from GPs to the diabetes specialist outreach service (DSOS) have been low, due to patients having problems with transport and GP clinic hours. We will be working with the services to address these problems.
- The Kowhai Health Trust was charged with collecting diabetes data from the Hutt PHOs, and after a contract was agreed and software installed, data collection started on January 1, 2007. The trust is also managing payments to participating practices for each completed diabetes review.
- Our planners and cardiology service are continuing discussions with primary care providers in the Valley on how to improve shared care and patient flows for cardiovascular patients. This will link in with the chronic disease plans that each PHO is required to develop in the coming year. We are working to get better links between, for example, GPs and consultants, and practice nurses and specialist nurse clinics.
- We have reviewed how community-based respiratory services are working, and the review process itself has already improved links between services and stimulated ideas for improving services. Members of the community spirometry review group have received draft copies of the report for comment.
- To improve our asthma services, we audited patients who presented to the Emergency Department with an asthma diagnosis in the 2005/06 year. We have now developed an improved follow-up process for those patients, which is being trialled this year.

HEALTHY FAMILIES

- We have redesigned our antenatal education programmes to be culturally appropriate and suitable for teenagers. VIBE, in partnership with BirthEd, finished its 10th rotation of youth-friendly programmes in the third quarter of the year. A number of young women attended, with partners or support people.

- The Mum4Mum community breastfeeding programme was set up, aiming to increase breastfeeding to a minimum of three months. The programme is aimed at high-needs mothers and families — particularly Maori and Pacific mothers and babies, and babies living in disadvantaged communities. The project is a partnership between the DHB and three PHOs, Family Care, Mid Valley and Piki te Ora ki Te Awakairangi .

  The La Leche League delivered the Mum4Mum educator trainer course to 12 local women in November 2006. Some of this group, who include midwives, community workers and WellChild providers, are now licensed to train other women to become community breastfeeding supporters.

  The first six-week course for community breastfeeding supporters was held at Te Mangungu Marae in Naenae. Following a second course, a total of 40 supporters will have been trained in 2006/07. Training courses will be held in Upper Hutt and Wainuiomata in 2007/08.

- We have achieved a significant improvement in caesarean rates this year, with the number of caesarean sections dropping by 5 percent from last year to 23 percent of deliveries.

- Sixty-five percent of general practices in the Hutt Valley reached our goal of getting 95 percent of their two-year-olds fully immunised. Overall immunisation rates for that age group have fallen from the high levels achieved alongside the meningitis B campaign last year, dropping from 94 percent in May 2006 to 88 percent in May 2007.

  Full immunisation of four-year-olds has stayed steady at 87 percent in May this year, compared to 88 percent in May 2006.

ORAL HEALTH

- We have made some progress in recruiting more school dental therapists with a recruitment and retention plan underway. The goal is to employ 37.16 full-time equivalent therapists for the school dental service (SDS), compared to the 31 currently at work. More than 30 percent of the 50,985 children enrolled in the service are not being seen within the target of one year. And figures at December 2006 showed 10 percent of children failing to attend dental appointments.

- A major reorganisation of oral health services for children and teenagers in the region is in the planning stages. The aim is to provide community-based dental care for preschoolers through to 18-year-olds in a co-ordinated way, within the national vision for oral health services to young people.

  Following negotiations with the Ministry of Health, the oral health project was set up jointly with the Capital and Coast District Health Board. A draft proposal has been developed and public consultation began in June, with information sent out to more than 1200 schools, early childhood centres and other interested groups around the region. A business plan for the proposed new service will be submitted to the Ministry of Health in November 2007.

SUMMARY OF ACTIVITIES CONTINUED...

- This year we exceeded our goal of getting half the region's preschoolers, aged two-and-a-half to four, registered with the school dental service. By the end of June, 58 percent of preschoolers were registered. This is due to the efforts of the Oral Health Promotion Team working with early childhood centres in high-need areas to promote oral health, and the new school dental service preschool enrolment project team working with primary health providers.
- Low-income adults in Wainuiomata have made good use of the pilot oral health service delivered by the DHB's dental service through the Whai Oranga health centre. An evaluation of the pilot service, for adults enrolled in Piki Te Ora ki te Awakairangi PHO, found a good uptake by the target population, but the service is unsustainable in its current form. The DHB has entered into discussions with Whai Oranga with a view to them operating the service along the lines established elsewhere in New Zealand.

CANCER PLAN

The board approved the Hutt Valley Cancer Action Plan in July, in an effort to improve access to and the quality of cancer services, especially to high needs communities. It includes specific targets to tackle disparities for Maori accessing cancer services. The plan also recommends hiring a service improvement facilitator to carry out pathway and service improvements.

The Central New Zealand Cancer Network Group was set up late this year, with representatives from nine DHBs, including Hutt Valley. It will advise DHBs on how to co-ordinate services and help link groups responsible for cancer services.

- Building work has been completed at Hutt Hospital to expand our screening facilities to handle the increased age range of women eligible for the breast screening programme.
- A pilot project with Mid Valley and Valley PHOs to increase breast and cervical screening rates, particularly for high-needs groups, has led to a slight improvement in reaching Maori and Pacific women who had missed screening. This pilot, which involved reviewing PHO registers and providing dedicated clinics, is being evaluated before being rolled out to other PHOs. We have been working with Maori and Pacific health providers to promote screening.
- A hospital liaison service, run by Te Omanga Hospice, has been set up to increase knowledge about palliative care among hospital clinicians, and to increase integration across services.

MENTAL HEALTH AND ADDICTION

- Implementation of our five-year mental health and addiction service plan has been delayed as the planning process has taken longer than expected. The full plan should go to the board in the second quarter of 2007/08 with implementation starting in 2008.
- Development of initiatives from the national Maori mental health strategic framework, Te Puawaitanga, has been delayed until next year. We are analysing data on Maori mental health and addiction in the Hutt to decide which two initiatives from the national plan will be tackled first.

- Phase two of a review of regional specialty services in mental health — including maternal mental health, dual diagnosis, personality disorders and forensic services — was completed in October 2006. Staff have been appointed to liaise between specialty services, which are mainly delivered by the Capital and Coast DHB, and the central regional DHBs, and communication has already improved.

  The growing local prison population, which rose from 356 inmates in 1997 to 950 in 2006, is putting pressure on forensic services and is likely to have an impact on all our health services. Blueprint funding is available next year for a five-bed forensic stepdown accommodation and a proposal from regional forensic services at Capital and Coast DHB is being considered at Central region DHB level.

- We have been working on improving our child and adolescent mental health services, which has included setting up a Kaupapa Maori child, adolescent and family service. Access has been improved by setting up outreach clinics and improving liaison with PHOs, and a project manager has been contracted to oversee a specific access project.

- We reviewed our psycho-geriatric and mental health for older peoples services and set up a working group to improve collaboration with other services. This process included a significant consultation process and has resulted in a broad range of recommendations to improve mental health services for the elderly. An implementation plan is currently being prepared in order to put those recommendations in place.

- To increase capacity in Pacific community support services, we are setting up Pacific mental health and addiction scholarships for Hutt Valley people to start in the 2007/2008 year.

- To improve the quality of services and consumer and family input, we have appointed both a family advisor and a consumer advocate. We have also done our annual consumer and family/whanau satisfaction survey.

- Twenty-eight Maori mental health scholarships have been awarded to local people for study in the 2007/2008 financial year.

- Two primary mental health promotion pilot schemes are underway, in MidValley and Piki Te Ora PHOs, and a third may start next year.

- We have set up a youth alcohol and drug sub-regional service for the Hutt, Capital and Coast and Wairarapa DHB population, and new alcohol and drug residential and day/evening programmes.

DISABILITY STRATEGY

- We are using the Hutt Valley Disability Advisory Group to help ensure our services cater for the needs of disabled people.

- Questions on disability and access have been included in patient satisfaction surveys and new guidelines on improving accessibility have been included in our policy manual. Those guidelines are also being used in the development of the integrated campus plan for the proposed extensions to Hutt Hospital.

- Disability information is also now collected as part of the electronic medical record project.

SUMMARY OF ACTIVITIES CONTINUED...

AGED SERVICES

- To improve our services to older people, we have tendered for an augmented needs assessment and service co-ordination povider. We expect the new service will commence before the end of the 2007 calendar year.
- Home-based support services for the elderly have started using a new ``packages of care'' system. This is a restorative approach to care, meaning the focus is less on maintaining people and more on increasing their ability to care for themselves and stay in their own homes for longer.
- To help ensure we have enough aged care staff, a representative from aged residential care has been elected on to our workforce development steering group. We have also passed on extra funding to the aged care and home-based support sector to increase wages of low-paid staff. And we are trying to promote aged care as a positive career choice.
- We have developed a system to monitor and predict aged care service requirements.

MAORI HEALTH

- We invested 3 percent of base funding for the 2006/07 year in Maori health, recognising the ability of Maori providers to deliver new services. Our Maori Health Service Development Group made the Ministry of Health's Healthy Eating — Healthy Action (HEHA) campaign its priority for the coming year.
- The children's respiratory support service and the Kaumatua service are up and running in the community.
- We are continuing to run Maori responsiveness training for all staff in hospital and community services, as well as our Maori focus patient satisfaction surveys. The October 2006 survey showed an overall satisfaction level of 85 percent.
- We have identified breast screening for Maori women as a key service where increased access would make a significant difference to Maori health, and strategies are being worked on for the2007/2008 year.
- Three young local women have been made cadets under the Maori Health Development Unit. They are full-time university students receiving Manu Tipuranga scholarships, and make themselves available to work and learn at the DHB in their holidays. The cadets, who are from high-needs communities, are studying social work, clinical psychology, and nutrition and dietetics.

PACIFIC HEALTH

- We have implemented most of our Pacific Health Action Plan, Ili Ole Ola, and work has begun on a new plan.
- Work on skin disease among Pacific people has been incorporated into the Regional Public Health project on skin disease.
- A Pacific mental health scholarship programme is underway.
- We have devised a strategic plan for use of funds from the Ministry of Health's Pacific Provider Development Fund.

HIGHLIGHT: Nursing care at Hutt Hospital has long had a good reputation...

... and Hutt Valley DHB has prided itself on the level of support nurses here receive.

But now that pride is supported by evidence – during the year Hutt Hospital became only the second hospital outside the United States to have Magnet status.

Achieving that status is a great achievement. In the United States research has shown that Magnet hospitals have better patient outcomes and better recruitment and retention of nurses than non-Magnet hospitals. Even there, where the programme has now been running for many years, only 250 hospitals (out of more than 6,000) have Magnet status. And less than half achieve Magnet status at the first attempt.

Achievement of Magnet status was the result of four years work and was a matter of great pride for our staff. It means not only that we have highly skillful, well supported nursing staff, but that they work as part of a team which embraces all disciplines.

The American Nurses Credentialing Center, which governs the programme, undertook a rigorous audit of Hutt Valley DHB, which included an intensive site visit.

In announcing our success, Director of Nursing Toni Dal Din said: 'Although Magnet recognises nursing care, it is inextricably linked to all the other professions delivering healthcare. The whole organisation has to be committed to top quality patient care for Magnet designation to be awarded. This is truly a great honour and a recognition of the work everyone at Hutt Hospital does for our community.'

New Zealand's first Magnet

SUMMARY OF ACTIVITIES CONTINUED...

WORKING INTERSECTORALLY

The DHB has continued to put emphasis on intersectoral collaboration, where different sectors and government agencies work together on special projects. The priorities this year have been children and youth, deprived areas and physical activity.

- A family violence coordinator started work with us in February to implement our family violence action plan developed last year.
- We have developed a memorandum of understanding with police and CYFS to improve joint responses to children in risky situations.
- We are developing relationships with primary and secondary school principals to encourage participation in Healthy Eating — Healthy Action programmes, and with schools and councils and Regional Public Health to push walking and cycling programmes.
- The youth transition service is operating well and we get regular reports from DHB membership on the steering group.
- We are continuing to work with the Ministry of Social Development to set up a PATHS programme in the Hutt Valley, which involves targeting health care to sickness and invalid beneficiaries to help them find work.
- We supported the Hutt Housing Steering Group older persons pilot which started this year, and will be providing clinical expertise to the steering group. We are supporting the Housing New Zealand healthy housing project in the Hutt, with public health nurses doing health and social assessments.
- Promotion of physical activity has seen us work alongside local councils on projects such as Upper Hutt's Activation programme, Healthy Eating — Healthy Action and the Welington Urban Regional Physical Activity Strategy, known as ``At the Heart''.

REVIEWING SERVICES

- Working collaboratively with other DHBs and health agencies helps ensure our delivery of services is sustainable and efficient. This includes taking part in national contracting for aged residential care, dental and primary care and pharmacy services; working with other DHBs on how to best manage primary, secondary and tertiary services; developing a new regional oral health service, and setting parameters for Pharmac activities.
- In the central DHB region, a draft regional mental health plan has been drawn up, while the plastics and burns review has led to the formation of a Regional Plastics Burns and Cranio-Maxillo-Facial Service Leadership Group which starts operating in the 2007/2008 year.
- Cardiology services have been reviewed and work has begun on a regional review of renal services to find out what improvements are needed.
- Also under review was the regional Technical Advisory Services (TAS) agency, and chief executives of the DHBs in the region have agreed on what changes should be made to the agency in the coming year.

HEALTHY LIFESTYLES

This year we have done a lot of work promoting healthy lifestyles through increased physical activity and stopping smoking.

- Healthy Eating — Healthy Action (HEHA) programmes continue to expand: new HEHA Network terms of reference encourage more communication between physical activity and nutrition providers, sharing of research and information and the development of collaborative programmes.
- We have encouraged PHOs to develop and run their own health promotion activities.
- In March we ran a three-day nutrition course at Kokiri Marae to train community health workers to teach others about nutrition.
- We are working with the Wellington School of Medicine on a food accessibility research project which will focus on one city in the Wellington region. The project, which will look at the geographical distribution of food outlets and the social factors which affect accessibility, is expected to start at the end of 2007.
- We provided new grants to four decile 1-3 health-promoting schools: Tui Glen, Randwick, Taita College and St Claudine Thevenet.
- The hospital's special care baby unit and coronary care unit started pilot projects which involve asking all patients if they smoke, and offering brief advice on quitting.
- We supported World Smokefree Day in May with cigarettes being binned in activities in Petone, Porirua and Wellington, and supported a petition to Parliament to ban cigarette displays.
- Land transport public policy can greatly affect levels of physical activity. Regional public health staff took part in developing the Wellington Regional Council's regional land transport strategy. They did a health impact assessment of the strategy and many of their recommendations have been incorporated into the new strategy due in late 2007.
- Public health staff have met with police and liquor licensing agencies to tackle illegal drinking by young people at some premises. Managers were given resources to ensure compliance with the law and these meetings successfully resolved the problems.
- Day and night inspections of some liquor outlets showed improved compliance with the law.
- We helped four schools prepare for after-ball parties. Schools were visited, resources provided and we liaised with police and venue owners to discuss responsible hosting.
- We completed the Photovoice and text messaging projects, with help from the Hutt City Council and Victoria University. The information gathered, on Hutt youth culture, and young people's views and perceptions, will be used to improve our work with young people.

HEALTH OUTCOMES

- Important work has been done this year by the Hutt Housing Steering Group, to improve health through improving housing. This coalition of government agencies, local bodies, PHOs and researchers, has organised the retro-fitting (insulating) of a number of low-income houses. This project leads into a major Housing New Zealand project which will retrofit hundreds of state houses in the Eastern Hutt over the next few years.

HIGHLIGHT: Who better to help new mums with breastfeeding their babies than other mothers...

... that's the rationale behind Hutt Valley's Mum4Mum community breastfeeding project.

The aim of the project is to increase the number of babies being breastfed in the Hutt Valley, and the length of time they are being breastfed, particularly in Maori and Pacific families. It's designed to empower women and their families/whanau, help provide additional breastfeeding support for new mothers, and improve their links with health services already in place.

We have worked with three primary health organisations (PHOs) — Family Care, Mid-Valley and Piki Te Ora Ki Te Awakairangi — to support women in their communities who would be interested in encouraging and helping other mothers to breastfeed.

Three training courses for volunteer supporters were held during the year where women learned by sharing their experiences, receiving accurate information about lactation and breastfeeding, learning listening and communication skills, and different cultural approaches to breastfeeding.

They involved a wide range of women - young mums-to-be wanting to learn about breastfeeding for themselves; women who want to use the information to support cousins, classmates, friends or sisters to breastfeed; and women who want to be available to support breastfeeding mums generally.

Women who have completed the programme then work alongside women with young babies who want additional support to establish and maintain breastfeeding.

The newly-trained community breastfeeding supporters meet every month to share experiences and continue the education process.

The two-year project is based on a La Leche League programme and finishes in August 2008, when it will be evaluated and the breastfeeding data for the Hutt Valley district monitored closely. The long-term aim is for the Mum4Mum project to be extended throughout the Hutt Valley to help increase breastfeeding rates for all babies.

Mum4Mum

SUMMARY OF ACTIVITIES CONTINUED...

- The Hutt Housing Steering Group has also carried out a pilot project, Older Persons Healthy Housing, providing energy efficiency measures, basic maintenance and links to health and social services for 95 low income households. After evaluation the project will be rolled out in a wider healthy housing programme in the coming year.
- The serious skin infections project is now widespread in Hutt Valley schools, passing on hand hygiene and first aid information to reduce the risk of serious skin infection. Another project, to reduce hospitalisation for skin infection by helping families get their entitlements from Work and Income, ACC and PHOs, was launched in Naenae last year and has now moved into Wainuiomata and Porirua. Training for the project is being given to PHOs, Plunket, hospital paediatric staff, community health workers, Pacific providers and WINZ staff.
- We have launched the Wellington Regional Refugee Health and Well-being action plan in the Hutt Valley. The plan has six areas of focus — community capacity building, living well, economic well-being, safety and security, housing and knowledge and skills.
- We held a health impact assessment workshop for local government staff to help ensure the decisions they make take into account the effect on health.

LABORATORY SERVICES

- We signed a contract with Aotea Pathology to take over laboratory services on 1 November, 2006. Charging for tests referred from private specialists started at the same time. Our oversight advisory group has provided advice on policies and practices to help Aotea Pathology. A preferred approach has been agreed for funding specialist tests for hepatitis and cancer tests not covered by the contract with Aotea.

PHARMACEUTICAL COSTS

- We are trying to get better value for the money we spend on drugs and the issue has been discussed with clinical heads of departments, residential care providers, PHO chairs and pharmacy facilitators in the Hutt Valley. We have formed a Pharmacy Reference Group which has pinpointed reviews of community medication as the priority.

WAITING TIMES

- A pilot programme, conducted by Capital and Coast DHB in consultation with us, has reduced waiting times for ophthalmology care by improving the quality of referrals. It involved funding a GP liaison and an optometrist so that only patients who needed to be seen were referred to DHB ophthalmologists. The number waiting more than six months fell from 485 when the pilot began to 65 at September 2006.

HOSPITAL SERVICES

- Hutt Hospital became only the second Magnet designated hospital currently in operation outside the United States. Magnet is a nursing based programme which recognises the importance of nursing as part of the overall health team in providing high quality care. It recognises excellent nursing and it has been shown in the United States that Magnet hospitals have better clinical outcomes for patients and better recruitment and retention of staff than other hospitals.
- Nation wide industrial action was a feature for much of the financial year. A five day strike by junior doctors in July 2006 was followed by on-going action by radiographers and members of the food and service workers union. The first two, in particular, had an impact on our ability to reach elective surgery targets.
- All departments focused on meeting the Ministry of Health's elective services performance indicators (ESPIs). The most important of these were to see everyone accepted for a first specialist appointment within six months and to provide all elective procedures within six months of the operation being offered. Because of Hutt Valley DHB's position that it would provide an operation to those to whom it had already given certainty of treatment and to see all those it had accepted for a first specialist assessment (as opposed to referring those people back to their GP's care, as other DHBs did) we missed the 30 September deadline to be ESPI compliant, but were compliant by 31 December.
- At the beginning of the 2006/2007 year elective gynaecological surgery was brought back to Hutt Hospital from the private Boulcott Hospital where it had been for a number of years because of Hutt Hospital's lack of operating theatre capacity. This allowed the obstetrics and gynaecological service to grow under the leadership of its new clinical head of department. However, it put considerable pressure on other surgical disciplines, particularly general surgery, to make room for gynaecology.
- The commissioning of the second floor theatre in the maternity unit half way through the year made our management of caesarean births a great deal better for women and their babies. It meant that the main theatre block's operating programme would no longer be disrupted by urgent caesarean births.

- The redevelopment of the radiology department was completed with the commissioning of Hutt Hospital's first MRI scanner, to join the newly commissioned CT scanner. The CT scanner had been installed earlier than planned because of the need to replace the old and unreliable scanner. The two new machines bring Hutt Hospital in line with other facilities in the country and the next step is the installation of digital technology for the reading of scans and x-rays, which is being undertaken in the 2007/2008 financial year.
- In order to undertake the backlog of elective surgery and meet our obligations, the DHB entered into an arrangement with a private hospital in Wellington to undertake surgery there, using our surgeons or surgeons employed by the private provider, and within public sector pricing. A temporary excess in capacity at the private provider made this possible. Oral and dental surgery, ear nose and throat surgery and general surgery were all performed at the private provider. Since balance date orthopaedics and plastic surgery have also been performed there.
- The opening of the new breast centre on campus, encompassing facilities for both the breast screening programme and for symptomatic and outpatients clinics greatly enhanced the DHB's ability to provide appropriate facilities for women. The centre was opened by the Minister of Health, Pete Hodgson, and means that the regional breast screening programme now has a centralised base.
- Planning for the emergency department expansion, increasing the number of operating theatres at Hutt Hospital and upgrading of other clinical and ancillary services continued with the National Capital Committee approval of the DHB's strategic analysis. This was necessary in order for the DHB to be able to proceed to a full business case for the expansion which will be considered by the National Capital Committee in December 2007.

HOSPITAL SERVICE INDICATORS

Hutt Valley District Health Board	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2006/2007 -2005/2006 Var%
Inpatient discharges	16,724	16,797	17,571	17,243	17,236	17,272	0.2%
Daycase discharges	7,771	8,689	9,364	9,349	9,397	9,079	-3.4%
Total discharges (incl newborns)	24,495	25,486	26,935	26,592	26,633	26,351	-1.1%
Discharges per Day	67.1	69.8	73.8	72.9	73.0	72.2	-1.1%
Available bed days (incl cots)	91,250	91,615	91,615	93,075	93,075	93,075	0.0%
Occupied bed days	77,745	76,159	78,876	79,084	80,863	80,076	-1.0%
Average occupancy	85.2%	83.1%	86.1%	85.0%	86.9%	86.0%	-1.0%
Inpatient operations	4,706	4,612	5,012	5,319	5,299	5,347	0.9%
Daypatient operations	1,997	2,159	2,244	2,281	2,217	2,268	2.3%
Total operations (theatre cases)	6,703	6,771	7,256	7,600	7,516	7,615	1.3%
Elective operations	3,467	3,584	3,405	3,412	3,288	3,308	0.6%
Acute operations	3,236	3,187	3,851	4,188	4,228	4,307	1.9%
Total operations (theatre cases)	6,703	6,771	7,256	7,600	7,516	7,615	1.3%
Inpatient Waiting list total at 30 June	907	1,047	1,263	1,407	1,322	1,279	-3.3%
Outpatient Attendances							
- Surgical	43,262	44,165	46,255	46,761	46,204	43,245	-6.4%
- Medical	16,130	17,203	17,754	18,959	20,901	22,123	5.8%
- Paediatric	4,366	4,463	4,249	4,568	5,032	5,706	13.4%
Emergency Department							
- First attendances	29,439	29,188	30,748	33,397	35,219	37,039	5.2%
- Total attendances	30,851	30,234	31,741	34,254	35,730	37,440	4.8%
Community Contacts							
Community contacts - district nursing	36,652	36,625	34,893	35,461	35,706	37,489	5.0%
Births - Hutt Hospital	2,061	1,866	1,979	2,236	1,954	2,035	4.1%
Radiology examinations	46,853	46,462	48,461	49,772	49,787	47,375	-4.8%
Laboratory tests performed	643,678	638,458	621,398	788,016	836,034	864,759	3.4%

HIGHLIGHT: Having a warm, dry house can make a big difference to your health...

... particularly if you have limited means, are very old or very young, and suffer from chronic disease.

That's the rationale behind a project run by the Hutt Housing Steering Group which has seen old, cold and damp houses in the valley ``retrofitted'' with insulation. Those households chosen for the project also receive health assessments and are linked up with appropriate local health services.

The Hutt Housing Steering Group is a coalition of private enterprise, local government bodies, central government agencies, health trusts, Maori and Pacific service providers and community and voluntary sector organsations which aims to improve housing in the Hutt Valley, particularly for vulnerable groups of people.

Hutt Valley DHB is a member of the steering group and contributes funding to the healthy housing project. It sees this as valuable inter-sectoral work, where it works on health alongside organisations from other sectors.

In the 2006'2007 financial year, the Older Persons Pilot insulated and provided minor maintenance on 95 houses occupied by older people in the Valley. Hutt Valley DHB contributed $72,000 to the pilot and other funders included Hutt Mana Charitable Trust, Housing New Zealand Corporation, Contact Energy, EECA, Regional Public Health and Tu Kotahi Maori Asthma Trust.

The programme will be rolled out over three years (2007-10) and target low income families with housing related illnesses, both home owners and tenants.

Housing New Zealand is also rolling out it's Healthy Housing Project in corporation houses in Naenae, Taita and Pomare over the same period and both projects will be co-ordinated to compliment each other and share resources and key personnel.

Hutt Valley DHB has committed $200,000 across both projects in 2007/08 with further funding to be determined for later years.

Research shows that insulating homes improves the health and wellbeing of the inhabitants — children have fewer days off school, adults take less time off work, respiratory health improves, there are fewer doctor visits and hospital stays and the household has lower energy bills.

Home and dry

8

FINANCIAL REPORT 2007

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2007

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 Crown Entities 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 Crown Entities 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 as tabled in the House of Representatives at the beginning of the financial year. 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, sabbatical 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. Conferences 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 at least 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	4 – 80 years	1.25% - 25%
Building fit-out and services	2 – 36 years	2.8% - 50%
Plant and equipment	2 – 19 years	5% - 50%
Motor vehicles	5.5-12.5 years	8% - 18%
Computer equipment	3 – 5.5 years	18% - 30%
Leased assets	3 – 8 years	12.5% - 33%

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 therefore is exempt from income tax.

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 2007

	Notes	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Operating income		336,497	315,316	305,348
Total expenses		(321,756)	(299,607)	(292,189)
Operating Surplus before Depreciation, Capital Charge and Interest	**1**	**14,741**	**15,709**	**13,159**
Gain / (loss) on sale of assets		(14)	0	(123)
Depreciation	1	(7,410)	(8,518)	(6,877)
Capital charge		(6,093)	(6,007)	(4,959)
Interest expense	1	(1,185)	(1,184)	(1,194)
Net Operating Surplus		**39**	**0**	**6**

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 2007 Provider $000	June 2007 Governance $000	June 2007 Funder $000	June 2007 Elimination $000	June 2007 Consolidated $000
Operating income	158,068	2,751	307,541	(131,863)	336,497
Operating expenses	(148,943)	(2,647)	(302,029)	131,863	(321,756)
Operating Surplus before Depreciation, Capital Charge and Interest	**9,125**	**104**	**5,512**	**0**	**14,741**
Gain / (loss) on sale of assets	(14)	0	0	0	(14)
Depreciation	(7,406)	(4)	0	0	(7,410)
Capital charge	(6,093)	0	0	0	(6,093)
Interest expense	(1,185)	0	0	0	(1,185)
Net Operating (Deficit) / Surplus	**(5,573)**	**100**	**5,512**	**0**	**39**
Reconciliation to Retained Earnings					
Opening Balance	(6,886)	655	5,579	0	(652)
Net operating (deficit) / surplus for the year	(5,573)	100	5,512	0	39
Closing Balance	**(12,459)**	**755**	**11,091**	**0**	**(613)**

The accompanying notes and accounting policies on pages 33 to 35 and 41 to 53 form an integral part of these financial statements.

STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 30 June 2007

	Notes	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Net Surplus for the Year		**39**	**0**	**6**
Other recognised revenues and expenses				
Increase in revaluation reserves	2,9	0	0	18,707
Total recognised revenues & expenses for the year		**39**	**0**	**18,713**
Other movements in equity				
Equity contribution from Crown	2	307	0	0
Equity repayment to Crown	2	(207)	0	0
Total other movements in equity for the year		**100**	**0**	**0**
Equity at beginning of the year		77,843	74,759	59,130
Total Equity at the End of the Year		**77,982**	**74,759**	**77,843**

Mental Health Ring Fence for the year ended 30 June 2007

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 $11.091 million is $1.095 million that is required to be used for future mental health service provision.

The accompanying notes and accounting policies on pages 33 to 35 and 41 to 53 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2007

	Notes	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Equity				
Crown equity	2	28,227	28,127	28,127
Revaluation reserves	2	50,368	47,289	50,368
Retained earnings	2	(613)	(657)	(652)
Total Equity		**77,982**	**74,759**	**77,843**
Represented by:				
Current Assets				
Bank in funds		12,330	3,747	7,412
Receivables and prepayments	3	12,538	15,787	13,247
Inventories	4	1,244	972	1,065
Total Current Assets		**26,112**	**20,506**	**21,724**
Current Liabilities				
Payables and accruals	5	26,689	46,098	24,858
Employee entitlements and provisions	6	17,552	9,734	14,531
Borrowings	7	19,002	0	29
Total Current Liabilities		**63,243**	**55,832**	**39,418**
Net Working Capital Deficit		**(37,131)**	**(35,326)**	**(17,694)**
Non Current Assets				
Fixed assets	9	116,084	130,185	115,602
Trust and bequest funds	11	798	750	773
Total Non Current Assets		**116,882**	**130,935**	**116,375**
Non Current Liabilities				
Employee entitlements and provisions	6	971	1,100	1,063
Borrowings	7	0	19,000	19,002
Trust and bequest funds	11	798	750	773
Total Non Current Liabilties		**1,769**	**20,850**	**20,838**
Net Assets		**77,982**	**74,759**	**77,843**

For, and on behalf of, the Board

Board Member | Board Member | 2 October 2007

The accompanying notes and accounting policies on pages 33 to 35 and 41 to 53 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2007

	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Cash Flows from Operating Activities			
Cash was provided from:			
Cash receipts	335,963	313,523	301,763
Interest received	1,037	743	810
	337,000	**314,266**	**302,573**
Cash was disbursed to:			
Payments to providers	171,287	184,314	149,194
Payments to suppliers & employees	147,521	105,876	142,395
Net goods and services tax paid	(605)	0	(499)
Interest paid	1,185	1,184	1,194
Capital charge paid	5,115	5,938	5,381
	324,503	**297,312**	**297,665**
Net Cash Inflow from Operating Activities	**12,497**	**16,954**	**4,908**
Cash Flows from Investing Activities			
Cash was provided from:			
Proceeds from sale of assets	0	0	0
Realisation of trust funds	0	0	0
	0	**0**	**0**
Cash was applied to:			
Increase in investments and trust funds	0	0	0
Purchase of fixed assets	7,650	14,378	7,226
	7,650	**14,378**	**7,226**
Net Cash Outflow from Investing Activities	**(7,650)**	**(14,378)**	**(7,226)**
Cash Flows from Financing Activities			
Cash was provided from:			
Equity contribution	307	0	0
Loans raised	0	0	0
	307	**0**	**0**
Cash was applied to:			
Repayment of equity	207	0	0
Repayment of loans/finance leases	29	0	111
	236	**0**	**111**

The accompanying notes and accounting policies on pages 33 to 35 and 41 to 53 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2007

	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Net Cash Inflow / (Outflow) from Financing Activities	**71**	**0**	**(111)**
Net Increase / (Decrease) in Cash Held	**4,918**	**2,576**	**(2,429)**
Add opening cash	7,412	1,171	9,841
Ending Cash Carried Forward	**12,330**	**3,747**	**7,412**
Cash balances in the Statement of Financial Position:			
Bank in funds	12,330	3,747	7,412
Ending Cash Carried Forward	**12,330**	**3,747**	**7,412**
Reconciliation of Net Operating Surplus with Net Cash Inflow From Operating Activities			
Net operating surplus	39	0	6
Add back non-cash items:			
Depreciation	7,410	8,518	6,877
Increase/(decrease) in employee entitlements	2,929	0	1,219
Total Non-cash Items	**10,339**	**8,518**	**8,096**
Add/(subtract) items classified as investment activity:			
Net gain/(loss) on sale of assets	14	0	123
Total Investing Activity	**14**	**0**	**123**
Add/(subtract) items classified as financing activity:			
Repayment of loans/finance leases	0	0	111
	0	**0**	**111**
Movements in working capital:			
Decrease/(increase) in receivables and prepayments	709	343	(2,840)
(Increase)/decrease in inventories	(179)	0	(163)
(Decrease)/increase in capital charge payable	978	0	(422)
Increase/(decrease) in payables and accruals	597	8,093	(3)
Total Net Working Capital Movement	**2,105**	**8,436**	**(3,428)**
Net Cash Inflow from Operating Activities	**12,497**	**16,954**	**4,908**

The accompanying notes and accounting policies on pages 33 to 35 and 41 to 53 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

		Year to June 2007 $000	Year to June 2006 $000
1	**Net Operating surplus**		
	After crediting revenue:		
	Interest income	1,037	810
	Net gain on sale of fixed assets	0	0
	After charging expenses:		
	Fees paid to external auditors:		
	Audit fees - year end financial statements	89	98
	Audit fees - impact of IFRS on financial statements	6	0
	Other services	0	0
	Board and Committee Member fees:		
	Board Member fees	273	268
	Committee Member fees	18	21
	Rental and operating lease costs	1,057	1,065
	Bad debts - movement in provision	59	124
	Bad debts written off	80	44
	Net loss on sale of assets	14	123
	Depreciation:		
	Building structure	1,496	1,118
	Building services and fitout	2,186	1,903
	Site improvements	54	40
	Plant and equipment	1,950	2,048
	Motor vehicles	47	35
	Computer equipment	1,361	1,373
	Leased plant and equipment	316	360
	Total depreciation	**7,410**	**6,877**
	Interest expense:		
	Crown Health Financing Agency	1,175	1,183
	BNZ	0	1
	Finance leases	10	10
	Total interest expense	**1,185**	**1,194**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

		Year to June 2007 $000	Year to June 2006 $000
2	**Equity**		
a)	**Crown Equity**		
	Opening balance	28,127	28,127
	Equity contribution	307	0
	Equity repayment	(207)	0
	Closing Balance	**28,227**	**28,127**
b)	**Revaluation Reserves**		
	Land		
	Opening balance	8,659	5,272
	Adjustment to reserves	0	0
	Revaluation	0	3,387
	Closing Balance	**8,659**	**8,659**
	Buildings		
	Opening balance	41,709	26,389
	Adjustment to reserves	0	892
	Revaluation	0	14,428
	Closing Balance	**41,709**	**41,709**
	Total Revaluation Reserves	**50,368**	**50,368**
c)	**Retained Earnings**		
	Opening balance	(652)	(658)
	Net operating surplus/(deficit)	39	6
	Closing Balance	**(613)**	**(652)**
	Total Equity	**77,982**	**77,843**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

		Year to June 2007 $000	Year to June 2006 $000
3	**Receivables and Prepayments**		
	Trade debtors - Ministry of Health	1,337	3,109
	Trade debtors - other	11,149	9,939
	Provision for doubtful debts	(244)	(303)
		12,242	**12,745**
	Prepayments	296	502
		12,538	**13,247**
4	**Inventories**		
	Pharmaceuticals	136	135
	Surgical and medical supplies	1,118	940
		1,254	**1,075**
	Provision for obsolescence	(10)	(10)
		1,244	**1,065**

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	1,650	1,785
	Accrued expenses	20,952	20,129
	GST and other taxes payable	1,578	1,111
		24,180	**23,025**
	Capital charge payable to shareholders	2,253	1,275
	Fixed assets payable	256	558
		26,689	**24,858**
6.	**Employee Entitlements and Provisions**		
	Annual leave	8,838	7,610
	Long service leave	411	434
	Retirement gratuities	933	820
	Other employee provisions	8,341	6,730
		18,523	**15,594**
	Made up of:		
	Current	17,552	14,531
	Non current	971	1,063
		18,523	**15,594**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

	Year to June 2007 $000	Year to June 2006 $000
7. Borrowings		
Crown Health Financing Agency	19,000	19,000
Finance leases	2	31
	19,002	**19,031**
Loans are repayable as follows:		
Current (payable to 30 June 2008)	19,000	0
One to two years (payable to 30 June 2009)	0	19,000
Two to five years (payable subsequent to 30 June 2009)	0	0
	19,000	**19,000**
Finance leases are repayable as follows:		
Current (payable to 30 June 2008)	2	29
One to two years (payable to 30 June 2009)	0	2
Two to five years (payable subsequent to 30 June 2009)	0	0
	2	**31**
Total current portion of loans	19,002	29
Total non-current portion of loans	0	19,002
Total Loans	**19,002**	**19,031**
Interest rates per annum:	%	%
Crown Health Financing Agency Loan	6.2	6.2
Finance leases	8.5 to 11.0	8.5 to 11.0
Line of credit restricted access		
Bank loan facilities	6,000	6,000
Used at balance date:	0	0
Unused at Balance Date	**6,000**	**6,000**

Borrowings are net of finance charges.

The $19 million on loan from the Crown Health Financing Agency (CHFA) was drawn down on 10 December 2002 and the $19 million on 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 2007 for working capital requirements of which no draw down has been made ($6 million: 30 June 2006).

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 2007

		Year to June 2007 $000	Year to June 2006 $000
8.	**Leased Assets**		
	Finance Leases:		
	- current	2	29
	- non-current	0	2
		2	**31**
	Repayable as follows		
	One to two years	2	29
	Two to five years	0	2
	Beyond five years	0	0
		2	**31**

	Cost $000	Accumulated Depreciation $000	Net Book Value $000
2007			
Leased Assets			
Clinical equipment	59	53	6
Office equipment	39	28	11
	98	**81**	**17**
2006			
Leased Assets			
Clinical equipment	1,471	1,365	106
Office equipment	68	33	35
	1,539	**1,398**	**141**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

		Year to June 2007 $000	Year to June 2006 $000
9.	**Fixed assets**		
	Freehold land		
	At cost	0	0
	At valuation	10,570	10,570
	Total freehold land	**10,570**	**10,570**
	Site improvements		
	At cost	231	6
	At valuation	800	800
	Accumulated depreciation	(56)	(1)
	Total site improvements	**975**	**805**
	Building structure		
	At cost	698	125
	At valuation	64,616	64,616
	Accumulated depreciation	(1,562)	(66)
	Total freehold buildings	**63,752**	**64,675**
	Building services		
	At cost	570	25
	At valuation	15,301	15,301
	Accumulated depreciation	(1,134)	(21)
	Total building services	**14,737**	**15,305**
	Building fitout		
	At cost	4,668	199
	At valuation	9,328	9,328
	Accumulated depreciation	(1,150)	(46)
	Total building fitout	**12,846**	**9,481**
	Plant and equipment		
	At cost	27,988	25,457
	Accumulated depreciation	(19,644)	(17,576)
	Total plant and equipment	**8,344**	**7,881**
	Leased assets		
	At cost	98	1,539
	Accumulated depreciation	(81)	(1,398)
	Total leased plant and equipment	**17**	**141**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

	Year to June 2007 $000	Year to June 2006 $000
Motor vehicles		
At cost	549	549
Accumulated depreciation	(430)	(385)
Total motor vehicles	**119**	**164**
Computer equipment		
At cost	11,658	10,062
Accumulated depreciation	(8,105)	(6,747)
Total computer equipment	**3,553**	**3,315**
Work in progress		
Property assets	412	2,031
Plant and equipment	481	662
Computer equipment	278	572
Total Work in Progress	**1,171**	**3,265**
Total Fixed Assets, Leased Assets and WIP	**116,084**	**115,602**

Revaluation

Land and buildings were revalued, in accordance with FRS-3, at 30 June 2006 by Paul Butchers FNZPI of CB Richard Ellis, Registered Valuers. Buildings have been valued using a depreciated replacement cost methodology.

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 DHBs 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

	Year to June 2007 $000	Year to June 2006 $000
Opening balance	773	731
Funds received	47	101
Interest received	49	42
Funds disbursed	(71)	(101)
Closing Balance	**798**	**773**

12. Statement of Commitments

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

	Year to June 2007 $000	Year to June 2006 $000
Operating lease commitments		
Less than one year	1,252	815
One to two years	1,121	422
Two to five years	1,989	435
Over five years	785	19
	5,147	**1,691**
Provider funding commitments		
Less than one year	34,676	6,392
One to two years	29,432	3,456
Two to five years	52,332	0
Over five years	0	0
	116,440	**9,848**
Capital commitments		
Less than one year	3,937	6,331
	3,937	**6,331**
Total Commitments	**125,524**	**17,870**

The significant increase in provider funding commitments is due to a new contract entered into during 2006/07 for laboratory services for the period 1 November 2006 to 31 October 2011.

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. Actual costs are as follows:

DSS (NGO Providers)	31,373	31,200
Primary care	54,485	49,700
	85,858	**80,900**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

13. Statement of Contingencies

There are no contingent liabilities as at 30 June 2007 (Nil: 30 June 2006).

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 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 2007 are disclosed in note 7.

There are no interest rate options or swap agreements in place as at 30 June 2007.

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 2007

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 83% (84%: 30 June 2006) of its revenue from the Government, through the Ministry of Health, to fund and provide health services. The amount outstanding at 30 June 2007 was $1.3 million ($3.1 million: 30 June 2006).

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 8% for the financial period (8%: 30 June 2006).

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.
Payables and accruals	Payables and accruals have increased mainly due to the increase in accrued expenses by the DHB caused by additional volumes.
Employee entitlements and provisions	The increases in employee entitlements is due to PSA agreements settled during the year which have increased salaries and also increased year end accrual balances for annual leave liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

20. Board Member and Co-opted Committee Member Remuneration 2006/2007

Board Members	Year to 30-Jun-07 Board Fees	Year to 30-Jun-07 Com. Fees	Year to 30-Jun-07 Total fees	Year to 30-Jun-06 Total fees
P Glensor (Chair)	37,333	6,938	44,271	44,063
S Cole (Deputy Chair)	23,333	4,250	27,583	27,063
K Austin	18,667	4,375	23,042	22,625
P Christianson	18,667	2,500	21,167	21,500
C Cunningham	18,667	2,500	21,167	20,813
K Hindle	18,667	5,063	23,730	22,625
K Laban	18,667	6,250	24,917	22,000
C Love	18,667	2,250	20,917	21,063
P McCardle	18,667	4,813	23,480	23,000
D Ogden	18,667	3,500	22,167	21,500
R Wallace	18,667	2,000	20,667	22,000
Total	**228,669**	**44,439**	**273,108**	**268,252**

Co-opted Committee Members	Year to 30-Jun-07 Total fees	Year to 30-Jun-06 Total fees
T Araiti	533	250
G Alcorn	2,250	2,000
A Bain	400	0
P Carroll	0	500
D Craig	300	0
N Cutelli	1,000	1,250
W Dunn	1,000	1,500
L Fortune	1,750	2,250
L Hawkins	400	0
D Judd	400	0
L Kljakovic	0	250
M Lau-Young	0	498
T Loto-Sua	0	200
Pacific Youth Advisory Comm.	290	0

Co-opted Committee Members	Year to 30-Jun-07 Total fees	Year to 30-Jun-06 Total fees
J Paton	400	0
K Pointon	1,000	1,250
S Reid	250	0
D Rodger	750	1,250
S Rule	750	1,250
J Ryall	667	0
F Stowers	1,000	1,250
K Stuart	1,750	1,500
A Tabua	0	200
M Tukukino	0	750
M Tunoho	1,250	2,250
I Vaofusi	1,750	2,000
L Vole	0	200
D Wilson	400	0
Total	**18,290**	**20,598**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

21. Employee's remuneration and termination payments 2006/2007

Range	Year to 30 June 2007	Year to 30 June 2006	Med / Dental Year to 30 June 2007
100,000 - 109,999	11	7	5
110,000 - 119,999	14	16	11
120,000 - 129,999	7	6	5
130,000 - 139,999	10	9	9
140,000 - 149,999	8	6	8
150,000 - 159,999	4	9	2
160,000 - 169,999	6	6	5
170,000 - 179,999	11	6	10
180,000 - 189,999	5	5	5
190,000 - 189,999	8	8	7
200,000 - 209,999	2	2	1
210,000 - 219,999	5	3	5
220,000 - 229,999	1	0	1
230,000 - 239,999	1	1	1
240,000 - 249,999	0	0	0
250,000 - 259,999	1	0	1
260,000 - 269,999	0	0	0
270,000 - 279,999	1	0	1
280,000 - 289,999	0	0	0
290,000 - 299,999	0	0	0
300,000 - 309,999	1	1	1
310,000 - 319,999	2	0	1
320,000 - 329,999	0	1	0
330,000 - 339,999	0	1	0
340,000 - 349,999	0	0	0
350,000 - 359,999	0	1	0
Grand Total	**98**	**88**	**79**

Termination payments 2006/2007

Number of Employees	Amount $
1	2,882.28
1	3,266.48
1	3,566.83
1	6,884.77
1	8,041.55
1	8,905.08
1	9,013.44
1	13,668.26
1	15,461.28
1	16,200.00
1	17,030.78
1	17,435.77
1	18,000.00
1	41,804.48
Grand Total	**182,161.00**

22. Statement of Adoption of International Reporting Standards (NZ IFRS)

In December 2002 the New Zealand Accounting Standards Review Board announced that NZ IFRS will apply to all New Zealand Reporting Entities for the periods commencing on or after 1 January 2007. Entities have the option to adopt NZ IFRS for periods beginning on or after 1 January 2005.

Hutt Valley DHB will implement NZ IFRS in its annual financial statements for the year ending 30 June 2008. In complying with NZ IFRS for the first time, Hutt Valley DHB, has restated amounts previously reported under current New Zealand accounting standards (NZ GAAP) using NZ IFRS. Opening balances as at 1 July 2006 have been restated, with initial transitional adjustments recognised retrospectively and mainly against retained earnings at that date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

Impact on Transition to NZ IFRS

	Notes	Year to June 2006 Actual $000	NZ IFRS Transition Adjustments $000	Opening Balance 1 July 2006 $000
Equity				
Crown equity		28,127		28,127
Revaluation reserves		50,368		50,368
Retained earnings	*a*	(652)	(28)	(680)
Total Equity		**77,843**	**(28)**	**77,815**
Represented by:				
Current Assets				
Bank in funds		7,412		7,412
Receivables and prepayments		13,247		13,247
Inventories		1,065		1,065
Total Current Assets		**21,724**	**0**	**21,724**
Current Liabilities				
Payables and accruals	*a*	24,858	28	24,886
Employee entitlements and provisions		14,531		14,531
Borrowings		29		29
Total Current Liabilities		**39,418**	**28**	**39,446**
Net Working Capital Deficit		**(17,694)**	**(28)**	**(17,722)**
Non Current Assets				
Fixed assets		115,602		115,602
Trust and bequest funds		773		773
Total Non Current Assets		**116,375**	**0**	**116,375**
Non Current Liabilities				
Employee entitlements and provisions		1,063		1,063
Borrowings		19,002		19,002
Trust and bequest funds		773		773
Total Non Current Liabilties		**20,838**	**0**	**20,838**
Net Assets		**77,843**	**(28)**	**77,815**

a ACC Partnership Programme

HVDHB belongs to the ACC Partnership Programme whereby HVDHB accepts the management and financial responsibility of work related illnesses and accidents of employees. Under the ACC Partnership Programme HVDHB is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to accidents and illnesses occurring up to the balance sheet date for which HVDHB has responsibility under the terms of the Partnership Programme.

STATEMENT OF OBJECTIVES & SERVICE PERFORMANCE

For the year ended 30 June 2007

INTRODUCTION

As a crown entity, Hutt Valley DHB 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 2007 was detailed in the Board's Statement of Intent.

In this section the actual performance of Hutt Valley DHB for the year ended 30 June 2007 is measured against the undertakings made in the Statement of Intent. The Auditor-General has audited this performance report for accuracy and reasonableness.

Objective	Measure	Target 2006/07	Response	Achieved
Improve access to local and regional mental health services.	**Mental Health Services Utilisation**: The percentage of the population annually accessing secondary mental health services.	**Age: 0-19**, Total: 1.8% Maori: 1.8%, Non-maori: 1.8% **Age: 20-64**, Total: 2.9% Maori: 3.7%, Non-maori: 2.8% **Age: 65+**, Total: 1.2% Maori: 0.8%, Non-maori: 1.2%	*Actuals April 2006 to March 2007* **Age: 0-19**, Total: 1.7% Maori: 1.5%, Non-maori: 1.7% **Age: 20-64**, Total: 2.7% Maori: 3.9%, Non-maori: 2.6% **Age: 65+**, Total: 1.2% Maori: 1.2%, Non-maori: 1.2%	Partially Achieved
Increased use of same day procedures where clinically appropriate.	**Percentage Eligible Elective Day Case Procedures:** Percentage of elective procedures done as daycases.	74%	Information previously sourced from Ministry of Health Hospital Benchmark Information (HBI). Since 1 July 2006 the definition used in the calculation of HBI results has changed and there is no longer a list of eligible DRGs used in the calculation of the measure. Not able to report recent data.	
Further improve access to primary health care services, with a particular focus on the health of high need groups and the management of people with chronic conditions.	Rates of hospitalisation potential amenable to primary health care intervention: Rate of Ambulatory Sensitive Hospitalisations (ASH) per 1,000 discharges.	**Age: 0-4**, Total: 100, Maori: 100 Pacific: 140, Other: 100 **Age: 5-14**, Total: 25, Maori: 25 Pacific: 40, Other: 25 **Age: 15-24**, Total: 15, Maori: 18, Pacific: 15, Other: 14 **Age: 65-74**, Total: 69, Maori: 130, Pacific: 140, Other: 63	*Actuals January to December 2006* **Age: 0-4**, Total: 92, Maori: 89 Pacific: 107, Other: 91 **Age: 5-14**, Total: 28, Maori: 34 Pacific: 45, Other: 22 **Age: 15-24**, Total: 18, Maori: 24, Pacific: 18, Other: 15 **Age: 65-74**, Total: 64, Maori: 100, Pacific: 97, Other: 60	Partially Achieved
Decrease the incidence and impact of diabetes through the Diabetes Specialist Outreach Service (DSOS) to improve Maori and Pacific uptake of diabetes reviews and other support programmes.	**Uptake of annual diabetes checks**: Percentage of estimated diabetics receiving a 'Get Checked' annual review. **Diabetes management (HBA1c blood levels)**: Percentage of diabetics receiving 'Get Checked' annual reviews with an	**Uptake** Total: 70%, Maori: 45% Pacific: 80%, Other: 77% **HBA1c** Total: 75%, Maori: 60% Pacific: 52%, Other: 81% **Retinal Screening** Total: 80%, Maori: 80% Pacific: 80%, Other: 80%	*Actuals January to December 2006* **Uptake** Total: 74%, Maori: 41% Pacific: 88%, Other: 83% **HBA1c** Total: 73%, Maori: 57% Pacific: 50%, Other: 79% **Retinal Screening** Total: 80%, Maori: 79% Pacific: 75%, Other: 81%	Partially Achieved

STATEMENT OF OBJECTIVES & SERVICE PERFORMANCE

For the year ended 30 June 2007

Objective	Measure	Target 2006/07	Response	Achieved
	HbA1c level less than or equal to 8% **Uptake of bi-annual retinal screening**: Percentage of diabetics receiving 'Get Checked' annual reviews that have had retinal screening or an ophthalmologist examination in the last two years.			
Reduced work-related injury and illness.	**Rate of time lost to DHB staff work-related illness or injury:** Occurrences of work-related injury or illness resulting in time lost from work during the quarter over the total number of hours worked by all employees during the quarter multiplied by 1,000,000.	5.4	**Quarterly Actuals** September 2006 4.7 December 2006 3.4 March 2007 2.0	Achieved
Implement Healthy Eating Healthy Action strategies in the Hutt Valley and link with the Hutt Valley DHB School Grants scheme to implement a range of health promotion strategies in schools.	Percentage of schools participating in Health Promoting Schools programme.	To have 12 schools participating in Health Promoting Schools programmes by June 2007.	Hutt Valley DHB has a total of 6 active Health Promoting Schools and another 18 working towards HPS status. This equates to around 32% of the 74 schools within the Hutt Valley.	Partially Achieved
Increase the percentage of two year olds fully immunised by continued local General Practice audit and the dissemination of benchmark information.	Percentage of children fully immunised by age two	93%	Primary Health Organisation immunisation audit data shows age 2 immunisation ranged from 88-94% in 2006/07. Maori and Pacific figures were 83% and 82% respectively. National Immunisation Register data for the 2 year age cohort will not be available until the end of 2007.	Partially Achieved
Want to see reductions in average Decayed, Missing and Filled Teeth scores through targeting high needs children and schools.	Average number of decayed/missing/filled teeth in year 8 children seen by the School Dental Service.	Total: 0.9, Maori: 1.6 Pacific: 1.7, Other: 0.7	*Actuals January to December 2006* Tota: 1.0, Maori: 1.6 Pacific: 1.2, Other: 0.8	Partially Achieved

STATEMENT OF OBJECTIVES & SERVICE PERFORMANCE

For the year ended 30 June 2007

<table>
<tr><th>Objective</th><th>Measure</th><th>Target 2006/07</th><th>Response</th><th>Achieved</th></tr>
<tr><td>Progress is made towards improving access to appropriate primary health care services.</td><td>Ratio of age standardised consultations for high need populations compared with others.</td><td>For high need people to have on average, more GP consultations than other enrolees, i.e. a utilisation ratio of greater than 1.</td><td>Actual data December 2006 quarter
Hutt Valley DHB 1.01
Family Care PHO 0.95
MidValley PHO 0.98
Piki Te Ora PHO 0.97
Ropata PHO 1.04
Tamaiti Whangai PHO 1.04
Valley PHO 1.10</td><td>Partially Achieved</td></tr>
<tr><td>To increase the coverage of breast and cervical screening programmes.</td><td>Breast and cervical screening coverage rates for different age groups and by ethnicity.</td><td>The BreastScreen Aotearoa target is 70% coverage.
The Wellington Region Cervical Screening target is 78% coverage.</td><td>Breast Screening Actuals at June 2007
Coverage for Women 45-69 Years
Total: 63%, Maori: 47%
Pacific: 40%, Other 66%
Cervical Screening Actuals at May 2007
Coverage (Hysterectomy Adjusted) for Woman 20-69 Years
Total: 71%, Maori: 52%
Pacific: 43%, Other: 79%</td><td>Not Achieved</td></tr>
<tr><td>Implement electronic referral management for General Practitioners (GPs) referring patients to secondary provider services and increased electronic discharges back to GPs.</td><td>Percentage of primary care referrals and hospital discharges done electronically for different services.</td><td>Greater than 95% electronic discharges for all services.
Start of e-referrals by August 2007.</td><td><table><tr><th>Service</th><th>Dec 2006</th><th>June 2007</th></tr><tr><td>Dental</td><td>71%</td><td>83%</td></tr><tr><td>Specialist Rehab.</td><td>100%</td><td>97%</td></tr><tr><td>Mental Health</td><td>63%</td><td>68%</td></tr><tr><td>Gynaecology</td><td>95%</td><td>82%</td></tr><tr><td>Rheumatology</td><td>100%</td><td>98%</td></tr><tr><td>Ear, Nose & Throat</td><td>82%</td><td>60%</td></tr><tr><td>Orthopaedics</td><td>97%</td><td>82%</td></tr><tr><td>Cardiology</td><td>99%</td><td>97%</td></tr><tr><td>General Surgery</td><td>92%</td><td>93%</td></tr><tr><td>Obstetrics</td><td>97%</td><td>97%</td></tr><tr><td>Paediatric Medicine</td><td>90%</td><td>60%</td></tr><tr><td>Plastics & Burns</td><td>94%</td><td>98%</td></tr><tr><td>General Medicine</td><td>94%</td><td>96%</td></tr></table></td><td>Partially Achieved</td></tr>
<tr><td>The DHB will work with PHOs, GP leaders and primary care nurses in the Hutt Valley to explore opportunities for attracting and retaining more GPs and primary care nurses.</td><td>Ratio of Full-Time Equivalent (FTE) General Practitioners and Practice Nurses to the population.</td><td>Want to see practitioner coverage for the population to be increased or at least maintained at 2005 levels.</td><td><table><tr><th></th><th>Aug 2005</th><th>Dec 2006</th><th>June 2007</th></tr><tr><td># GPs</td><td>108</td><td>122</td><td>108</td></tr><tr><td>FTE GPs</td><td>75</td><td>78</td><td>73.7</td></tr><tr><td># PNs</td><td>73</td><td>91</td><td>86</td></tr><tr><td>FTE PNs</td><td>50</td><td>60</td><td>57.9</td></tr><tr><td>Population</td><td>138,700</td><td>138,600</td><td>138,680</td></tr><tr><td>Population per GP</td><td>1,849</td><td>1,777</td><td>1,882</td></tr><tr><td>Population per PN</td><td>2,774</td><td>2,310</td><td>2,395</td></tr></table></td><td>Partially Achieved</td></tr>
</table>

STATEMENT OF OBJECTIVES & SERVICE PERFORMANCE

For the year ended 30 June 2007

<table>
<tr><th>Objective</th><th>Measure</th><th>Target 2006/07</th><th>Response</th><th>Achieved</th></tr>
<tr><td>Increase the level of physical activity within the population by working in the area of public transport to promote expanded accessible public transport and to encourage active modes of transport.</td><td>Proportion of population using active modes of transport (walking or cycling) for trips shorter than two kilometres. Source: Greater Wellington Regional Council annual transport surveys.</td><td>The Greater Wellington Regional Council currently has a target of a 70% increase in walking and cycling for short trips, i.e. 32% of trips shorter than 2km made by active modes. Hutt Valley DHB supports GWRC targets.</td><td>GRWC survey data for active modes of transport
0-1 kilometre
Actual 2004: 74%
Actual 2006: 74%
1-2 kilometre
Actual 2004: 19%
Actual 2006: 27%</td><td>Not Achieved</td></tr>
<tr><td>Reduce average length of stay where clinically appropriate and reduce costs through the reduction of overnight stays and hence improve efficiency.</td><td>Percentage day case discharges of total hospital admissions.</td><td>37%</td><td><table><tr><th></th><th>Actual 2004/5</th><th>Actual 2005/6</th><th>Actual 2006/7</th></tr><tr><td>Day Case Discharges</td><td>9,349</td><td>9,397</td><td>9,396</td></tr><tr><td>Total Discharges</td><td>26,592</td><td>26,633</td><td>26,606</td></tr><tr><td>Percent Day Cases</td><td>35%</td><td>35%</td><td>35%</td></tr></table></td><td>Not Achieved</td></tr>
</table>

STATEMENT OF OBJECTIVES & SERVICE PERFORMANCE

For the year ended 30 June 2007

DHB FUNDER 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.

Cost of Services For the year ended 30 June 2007

	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Operating income	307,541	285,747	275,676
Operating expenses	(302,029)	(283,770)	(273,292)
Net Operating Surplus	**5,512**	**1,977**	**2,384**

Major Variations from the Statement of Intent

The main variation from the Statement of Intent is due to additional revenue received from other DHBs relating to the laboratory contract, totally offset by additional costs. Extra revenue was also received for PHO funding and national pay settlements. This additional revenue has largely been offset by increased expenditure in funding the DHB's provider arm and PHOs.

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.

Cost of Services For the year ended 30 June 2007

	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Operating income	2,751	2,743	3,066
Operating expenses	(2,647)	(2,743)	(3,002)
Operating Surplus before Depreciation, Capital Charge and Interest	**104**	**0**	**64**
Depreciation	(4)	0	(3)
Net Operating Surplus	**100**	**0**	**61**

Major Variations from the Statement of Intent

The main variation from the Statement of Intent is as a result of more interest revenue.

STATEMENT OF OBJECTIVES & SERVICE PERFORMANCE

For the year ended 30 June 2007

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.

Cost of Services For the year ended 30 June 2007

	Year to June 2007 Actual $000	Year to June 2007 Budget $000	Year to June 2006 Actual $000
Operating income	158,068	153,008	146,884
Operating expenses	(148,943)	(139,276)	(136,173)
Operating Surplus before Depreciation, Capital Charge and Interest	**9,125**	**13,732**	**10,711**
Gain / (loss) on sale of assets	(14)	0	(123)
Depreciation	(7,406)	(8,518)	(6,874)
Capital charge	(6,093)	(6,007)	(4,959)
Interest expense	(1,185)	(1,184)	(1,194)
Net Operating (Deficit)	**(5,573)**	**(1,977)**	**(2,439)**

Major Variations from the Statement of Intent

The provider arm has received additional revenue for increased activity and new mental health funding. The main source of increased expenditure was personnel expenditure relating to the additional activity and strike related costs, and the high usage of blood products.

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 year ended 30 June 2007 fairly reflect the financial position and operations of Hutt Valley District Health Board.

Board Member | Board Member | 2 October 2007

AUDIT REPORT

To the Readers of the Hutt District Health Board's Financial Statements and Performance Information for the Year Ended 30 June 2007

The Auditor-General is the auditor of the 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 on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Health Board for the year ended 30 June 2007.

UNQUALIFIED OPINION

In our opinion:

The financial statements of the Health Board on pages 33 to 53:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Health Board's financial position as at 30 June 2007; and
  - the results of its operations and cash flows for the year ended on that date.

The statement of service performance of the Health Board on pages 54 to 59:

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects for each class of outputs:
  - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance at the start of the financial year; and
  - its actual revenue earned and output expenses incurred, as compared with the expected revenues and proposed output expenses included in the statement of forecast service performance at the start of the financial year.

The audit was completed on 2 October 2007, and is the date at which our opinion is expressed.

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

BASIS OF OPINION

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

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

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

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

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

- 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 statements and statement of service performance disclosures are adequate.

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

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

RESPONSIBILITIES OF THE BOARD AND THE AUDITOR

The Board is responsible for preparing financial statements and a statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Health Board as at 30 June 2007 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Health Board's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses at the start of the financial year. The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.

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

INDEPENDENCE

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

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 Hutt District Health Board for the year ended 30 June 2007 included on Hutt District Health Board's web site. The Hutt District Health Board's 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 2 October 2007 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.

HUTT VALLEY DHB DIRECTORY

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
Catherine Love
Peter McCardle
David Ogden
Ray Wallace

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
* Keriata Stuart

Community and Public Health Advisory Committee

Katy Austin (Chair)
Peter Glensor
Catherine Love
Keith Hindle
Ken Laban
David Ogden
* Gill Alcorn
* Lyndsay Fortune
* Dr Stewart Reid
* Muriel Tunoho
* Iunita Vaofusi

Disability Support Advisory Committee

Catherine Love (Chair)
Peter Glensor
Pat Christianson
Chris Cunningham
Ray Wallace
* Piki Carroll
* Warick Dunn
* Diane Rodger
* John Ryall
* Fuaao Stowers
* Sara Rule
* Natasha Cutelli

Finance, Property and Audit Committee

Keith Hindle (Chair)
Peter Glensor
Peter McCardle
Sharron Cole
David Ogden

Executive Management Team

Chai Chuah
Chief Executive

Bridget Allan
Director, Planning, Funding and Public Health

Peter Kennedy
Chief Financial Officer

Jill Lane
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

Arch Keenan
Human Resources Manager

Michael Hundleby
General Counsel

Cheryll Graham
Disability Advisor

* Co-opted Members