Annual Report 2009

HUTT VALLEY DHB

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Welcome Mihi

Tihei 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.

Chair's Foreword

I am pleased to present Hutt Valley District Health Board's annual report for the 12 months to 30 June 2009.

Yet again, this is a year during which much has been achieved in the face of severe financial pressure.

We have continued to focus on reducing health inequalities and building services for our community, while at the same time being conscious of the growing financial pressures within the health sector.

Financial Result

For the year to 30 June 2009, Hutt Valley DHB returned a net financial deficit of $8.9 million, marginally lower than the $9.4 deficit for the previous 12 months. We are budgeting a $4.6 million deficit for the 2009/2010 year.

A higher than budget level of inter-district outflows (treatment provided to Hutt Valley residents by other DHBs), combined with increased costs through the implementation of national agreements with key employee groups, were significant factors in the budget deficit.

In forecasting a $4.6 million deficit for the 2009/2010 year, Hutt Valley DHB is taking a responsible approach to returning to a break-even position over time, while taking into account the worsening economic forecasts for the New Zealand economy.

Hutt Valley DHB's Board and management are conscious of New Zealand's worsening economic position and its impact on government spending.

We have taken a focused approach to achieving the $4.6 million forecast deficit in 2009/2010, but we understand the need to take further action to trim costs and maximise revenue in the coming years.

It is essential in doing this that we have strong clinical leadership and community support for our actions. These two elements are already a significant part of Hutt Valley DHB's culture. I have spoken often in previous reports of the trust and team work between the clinical staff, management and Board at Hutt Valley DHB. This was highly evident in the last 12 months and will be even more important as we face future challenges.

Maori Partnership Board

The Interim Maori Partnership Board, formed in order to establish a permanent Maori Partnership Board with wide community acceptance, developed a strong relationship with our Board throughout the year. Now that this has occurred, the newly established Maori Partnership Board will maintain an active governance relationship with the DHB. This relationship will be important to assist in reducing health inequalities and improve the health outcomes of Maori people within the Hutt Valley.

Elective Surgery

Increasing elective surgery levels was again an area of emphasis. As indicated in previous reports, Hutt Hospital's operating theatre capacity has been a barrier to surgical efficiency and, in particular, to increasing elective surgery. Nevertheless the number of elective procedures performed at Hutt Hospital increased by approximately 200 and in addition a further 340 elective operations were delivered in private hospitals, often by our own staff.

This was an outstanding performance in the circumstances and an example of the willingness within this DHB to work together to achieve improved results for our community.

Clip-On Operating Theatres

However, early in the year it became clear that the interim arrangements to increase elective surgery would not be sustainable until the new operating theatres become available at the end of 2011.

Initial suggestions from our clinical staff were picked up by our management team and developed into a proposal to build two temporary operating theatres and a recovery area in modules which could be 'clipped on' to our existing operating theatre block. This proposal was approved by the Board in October 2008 and the completed theatres have now entered service, subsequent to the end of the 2009 financial year, on 5 October 2009.

A 12 month turnaround of a proposal like this is a remarkable achievement. The 'clip-on' operating theatres are the first of their kind in New Zealand and they not only increase capacity, but allow hospital staff to better

manage both acute and elective surgery and to sharply increase day surgery. All these initiatives result in improved services to patients.

The development of this proposal, and the decision to proceed, were undoubtedly major highlights of the 2008/2009 financial year.

Capital Development

As reported in the 2008 Financial Report, Hutt Valley DHB received Government sign off for an $82 million capital development programme.

Much of the last financial year has been spent undertaking detailed planning, in consultation with staff, and obtaining resource consent from the Hutt City Council. The first part of the project, the construction of a new carparking building, has commenced and will be completed by the end of the 2009 calendar year, ready for the main build to begin in early 2010.

This development is vital to Hutt Hospital's future and to the Hutt Valley community. It brings a suitably sized emergency department, a new intensive care unit, a medical day stay facility and an acute assessment unit, as well as doubling the number of permanent operating theatres from four to eight.

Most importantly, this development allows us to improve the way we work to provide better services to our community and much of the planning as to how it will work is being led by senior clinical staff, working closely with our management team.

Primary Care

Access to a GP remained an issue for many in our community. Most general practices had either closed books for new enrolments, or limited access. The DHB started a programme to support second and third year GP registrars in the Valley and, towards the end of the year, the Board approved a fund to support initiatives aimed at increasing GP capacity in the Valley. This is expected to have significant impact in the 2009/2010 financial year.

In the meantime, the DHB started a centralised co-ordination programme to identify those people who have been unable to enrol with a GP practice and to help facilitate their enrolment where possible.

Oral Health

The DHB's school dental service, which serves the Kapiti Coast, Porirua, Wellington and the Hutt Valley, made great progress this year. For some years there has been a large backlog in the number of children waiting for their annual check-up. During the year the team reduced (by more than 65%) the number of children waiting longer than 12 months to be recalled for an examination.

This is a good foundation for the development of our new 0 – 18 business plan for oral health care for people aged 0 to 18 years in the greater Wellington region, which has now been approved by the Ministry of Health. Over the next five years, the current network of small dental clinics based at schools throughout the region will be replaced by a combination of larger fixed clinics and mobile units covering the region. This will provide a more efficient and clinically and financially sustainable service into the future.

H1N1 Swineflu

The biggest single unexpected event of the year was the outbreak of H1N1 swineflu towards the end of the financial year. The DHB's public health division, Regional Public Health, was responsible for the first phase of the reaction to this outbreak in the greater-Wellington region – monitoring people coming into the country and tracking and testing people who were either suspected of having swineflu or been in contact with someone who had, and quarantining those people.

This was a huge job and it was one that Regional Public Health did extremely well – they were recognised nationally for the quality of their reaction to the outbreak. It had an impact on their normal work, as most of Regional Public Health's resources were directed to the pandemic response.

Once the pandemic reached its next phase, where it was widespread in the community, it had a great impact on general practices, after hours services, the Hutt Hospital emergency department and pharmacists. Again, the response was outstanding and it was notable how everyone in the sector pulled together to overcome a very challenging situation.

On behalf of the community, I want to thank everybody who was involved in this response, for the way they went about serving our community. Certainly there are lessons to be learned, which will serve us well in the future,

but the response was highly professional, competent and on-going.

Healthy Eating, Healthy Action

Our DHB's healthy eating, healthy action programme has played an important role in forging community partnerships during the year. We have funded and coordinated a range of projects designed to emphasise good eating and exercise. These include initiatives like garden projects for communities with high levels of ill-health and in low-decile schools.

These initiatives will have long term benefits for our community and there has been very good feedback from groups who have received assistance to advance better health programmes.

Healthy Homes Healthy People

Also of benefit to the community has been our participation in the Healthy People Healthy Homes initiative and Housing New Zealand's programme for retrofitting insulation to its homes.

Under these programmes the DHB funded health assessments to help identify families whose needs for insulation were the greatest.

The Healthy People Healthy Homes initiative is a multi agency and community forum in which the DHB was able to take an active leadership role.

During the year these two programmes collectively saw 257 homes retrofitted with insulation.

Gillies McIndoe Research Unit

The DHB is to house the Gillies McIndoe Research Institute within the Clock Tower Building at Hutt Hospital. It will focus on research in the field of reconstructive plastic surgery.

We are very pleased to be supporting the establishment of the Institute, which will assist the DHB's Plastics Maxillofacial and Burns Unit to retain and further enhance its reputation as a centre of excellence.

A fundraising campaign has been launched by the Gillies McIndoe Research Institute to raise funds for the establishment of the unit, which is also being supported by the University of Otago.

Hospital Services

The last financial year was one of strong development in so many of our hospital-based services, even in the face of significant financial constraints.

Outpatient, radiology and laboratory test numbers all increased significantly – all of which signals better service to our community. The radiology performance involved not only increased numbers but significant savings on the costs which would have been incurred, had not the Board put considerable investment into this area over the last three years.

Likewise, the investment in a fourth medical team, for the specialty which sees the most patients, brought not only financial savings, but considerable improvements in service delivery. It also enabled a dedicated stroke unit to be established.

Hutt Valley and Auckland were confirmed as the two centres for a dedicated national paediatric rheumatology service. In our case, this service built on the expertise built up through our regional adult rheumatology service.

Hutt Hospital's Improving the Patient Experience Programme continued to make progress in changing processes, which both benefit the patient, and provide more efficient results for the DHB and our staff. This work is at the heart of the DHB's plans to be both financially and clinically sustainable – to provide better results for the patient at the same time as being more cost efficient.

This work is critical to the successful commissioning of the DHB's capital developments. It is no use building larger facilities unless we also look at the way we work – hence the emphasis on increased day surgery, improved management of our medical patients and on efficient flow of patients from the emergency department to the wards.

For the first time ever, in the 12 months to 30 June 2009 the Emergency Department had more than 40,000 presentations. Its focus continues to be on improving the process for transferring patients and on ensuring we are increasingly able to meet national targets for people to spend no more than six hours in the department.

During the year our cleaning service was also brought in-house. Hutt Valley DHB is now one of the few which provides all its food services,

orderlies and now cleaning services, itself. This has proven more efficient financially and is more in line with our emphasis on team-work. Our cleaning staff, many of whom have worked at Hutt Hospital for many years, now feel more part of the DHB family.

Quality and Open Disclosure

Much of the work outlined above, including the Improving the Patient Experience Programme, indicates our emphasis on quality improvement.

Quality improvement does not exist as a separate programme. It must be part of everything we do. Our work on long term conditions is another example of a programme which has, at its heart, the goal of quality improvement.

The long term conditions programme has brought together clinicians and management staff from both hospital services and the primary sector to look at ways we can improve the services we collectively provide to people with long term conditions.

During the year the Patient Safety Group gave increased focus to dealing with events which involved any break down in our services. This group meets weekly and is an important link in ensuring we continually and openly deal with issues affecting patient care.

Open disclosure is increasingly part of Hutt Valley DHB's culture. We believe that where things do go wrong, the organisation must take responsibility for them, responsibly investigate them, ensure that recommendations are acted upon, and be open with patients and their families, our staff and our community.

Workforce Development

We continue to focus on ensuring the Hutt Valley's health workforce needs are being met. The use of private facilities and now the clip on operating theatres have allowed us to gradually build staff numbers ahead of the new services which will begin in 2011/2012.

We have also taken a longer term approach by building our scholarship programmes and, in particular, focusing on medical students, with a view to encouraging them to consider both the Hutt Valley and general practice as they move through their careers.

A team of GPs and hospital doctors visited second and third year medical students at Otago University twice during the financial year, and we combined these visits with a summer studentship programme, through which students were able to experience first hand the possibilities for their future.

The first summer studentships were very successful – six young people spent four weeks in the Hutt Valley. As a result, several of them said they would consider the Hutt Valley where, before, it had never entered their thinking, and several also indicated that general practice was an option as a result of the visit. In January 2010 the programme has been extended to 8 students.

Labyrinth

During the year the DHB formally accepted responsibility for the Frederic and Margaret Wallis Labyrinth which had been relocated to the grounds of Hutt Hospital from its original site in the gardens of Frederic Wallis House.

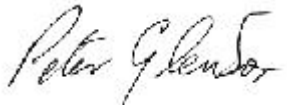
Labyrinths are increasingly being built to provide a place for staff, patients and relatives to meditate and grow. We are delighted with this beautiful facility which is available to the whole community.

Acknowledgements

I want to acknowledge my fellow Board members for their work and commitment over the last 12 months. I feel privileged to lead such a strong and cohesive Board, which works so well for the benefit of this community.

I want to particularly note the contribution of Peter McCardle, who resigned during the year to take up a position in the Minister of Health's office. Peter was an active and respected member of our Board and his presence will be a great asset to the Minister and the government.

Finally, I want to thank our chief executive, Chai Chuah, and the entire team – management, clinicians and all those who have served our community so well over the last 12 months. I have great confidence in our team and their ability to face the challenges of today and the future.



Peter Glensor
Board Chair

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 interlinked 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.

Hutt Valley DHB Profile

The Hutt Valley DHB was established on 1 January 2001. It 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 live in Upper Hutt City.

Approximately 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 $384 million.

Over the 2008/2009 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 Island health providers.
- Mental health providers.
- Rest homes.
- Pharmacies.
- Private laboratories and hospitals.

Hospital Service Indicators

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Inpatient Discharges	17,243	17,236	17,272	17,835	17,687
Daycase Discharges	9,349	9,397	9,079	9,365	10,114
Total Discharges (Inc Newborns)	26,592	26,633	26,351	27,200	27,801
Discharges per day	72.9	73.0	72.2	74.3	76.0
Available Bed Days	93,075	93,075	93,075	95,526	96,624
Occupied Bed Days	79,084	80,863	80,076	85,183	86,236
Average Occupancy	85.0%	86.9%	86.0%	89.2%	89.2%
Inpatient Operations	5,461	5,505	5,369	5,535	5,637
Daypatient Operations	2,649	2,379	2,274	2,549	2,642
Total operations (theatre cases)	8,110	7,884	7,643	8,084	8,279
Elective operations	4,033	3,582	3,615	4,136	4,337
Acute Operations	4,077	4,302	4,028	3,948	3,942
Total operations (theatre cases)	8,110	7,884	7,643	8,084	8,279
Outpatient attendances					
- Surgical	46,761	46,204	43,245	43,687	47,461
- Medical	18,959	20,901	22,123	22,455	30,779
- Paediatric	4,568	5,032	5,706	5,718	9,226
Emergency Attendances					
- First attendances	33,397	35,219	37,039	39,099	39,744
- Total attendances	34,254	35,730	37,440	39,360	40,356
Community Contacts					
Community Contacts – District Nursing	35,461	35,706	37,489	42,616	45,406
Births - Hospital	2,236	1,954	2,035	2,182	2,208
Radiology examinations	49,772	49,787	47,375	52,833	61,156
Laboratory tests performed	788,016	836,034	864,759	901,154	934,346

Statement of accounting policies

for the year ended 30 June 2009

Reporting Entity

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

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

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

The financial statements were authorised for issue by the Board on 29th October 2009.

Basis of Preparation

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

The financial statements are presented in New Zealand Dollars (NZD), rounded to the nearest thousand. The financial statements are prepared on the historical cost basis modified by the revaluation of land and buildings.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

In preparing these financial statements in accordance with NZ IFRS, HVDHB has applied the mandatory exceptions and certain optional exemptions from full application of NZ IFRS.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 approved by the Health Board in its District Annual Plan and included in the Statement of Intent as tabled in Parliament. The budget figures have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards as appropriate for public benefit entities. Those standards are consistent with the accounting policies adopted by Hutt Valley District Health Board for the preparation of these financial statements.

Revenue

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

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

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

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Finance Leases
Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to HVDHB, are classified as finance leases. The assets acquired by way of finance leases are stated at an amount equal to the lower of the present value of the minimum lease payments (at the inception of the lease), less accumulated depreciation and impairment losses; and their fair value. The leased item 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 minimum lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

Operating Leases
Operating lease payments, where lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are recognised in the statement of financial performance on a straight-line basis over the term of the lease.

Cash Equivalents

Cash and cash equivalents include cash in hand and deposits with original maturities of less than three months held with banks.

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

Short-term entitlements:
Employee entitlements that HVDHB expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

HVDHB recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent HVDHB

anticipates it will be used by staff to cover those absences.

Long-term employee entitlements:
Entitlements that are payable beyond 12 months, such as long service and retirement leave, have been calculated on an actuarial basis.

The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement etc, the likelihood that staff will reach the point of retirement and contractual entitlements information, and the present value of the estimated future cash flows.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Defined Contribution Schemes

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

Defined Benefit Contribution Scheme

HVDHB is a participating employer in the NPF Superannuation Scheme ("the Scheme") that is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the employer could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the employer could be responsible for an increased share of the deficit.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

This means HVDHB has used defined contribution style reporting.

Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that HVDHB will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

Inventories

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

Obsolete inventories are written off.

Property, Plant and Equipment

Property, plant and equipment asset classes consist of land, buildings, site improvements, plant and equipment, fit-outs and motor vehicles.

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

Revaluations:
Land and buildings are revalued with sufficient regularity to ensure that the carrying value amount does not differ materially from fair value and at least every five years. Fair value is determined from

market-based evidence by an independent valuer. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are reviewed at each balance date to ensure that those values are not materially different from fair value. Additions between revaluations are recorded at cost.

Accounting for revaluations:

HVDHB accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if and only if it is probable that future economic benefits or service potential associated with the item will flow to HVDHB and the cost can be measured reliably.

Disposal of Property, Plant and Equipment

Where an item of property, plant and equipment is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the net sale price and the carrying amount of the asset. When revalued assets are sold the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to HVDHB and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as they are incurred.

Depreciation of Property, Plant and Equipment

Depreciation is provided on a straight-line basis on all tangible property, plant and equipment, 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 - Building structure
Useful Life - 4 – 80 years
Associated Depreciation Rates - 1.25% - 25%

Asset Class - Building fit-out and Services
Useful Life - 2 – 36 years
Associated Depreciation Rates - 2.8% - 50%

Asset Class - Plant and equipment
Useful Life - 2 – 19 years
Associated Depreciation Rates - 5% - 50%

Asset Class Motor vehicles
Useful Life - 5.5 – 12.5 years
Associated Depreciation Rates - 8% - 18%

Asset Class Computer equipment
Useful Life - 3 – 5.5 years
Associated Depreciation Rates -18% - 30%

Asset Class Leased assets
Useful Life - 3 – 8 years
Associated Depreciation Rates – 12.5% - 33%

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

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by HVDHB are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software – useful life 5 years, amortisation rate 20%

Taxation

HVDHB is a public authority under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under Section CB3 of the Income Tax Act 2004.

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

(Statement of Objectives and Service Performance)

The cost of services statements, as reported in the Statement of Objectives and Service Performance 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 Allocations

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 that cannot be identified in an economically feasible manner with a specific output class.

Cost drivers for allocation of indirect costs

The cost of internal services not directly charged to outputs is allocated as overheads using appropriate cost drivers such as 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.

Impairment

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

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

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

Financial Instruments

HVDHB is risk averse and seeks to minimise exposure arising from its treasury activity. The Board is not authorised by its treasury 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.

Provisions

A provision is recognised when HVDHB has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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 that are generally the result of an isolated event to an individual employee. 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. HVDHB has chosen a stop loss limit of $750,000, which means HVDHB will only carry the total cost of claims up to $750,000.

New Standards Adopted and Interpretations Not Yet Adopted

Certain new standards, amendments and interpretations to existing standards have been published that are not yet effective for the year ended 30 June 2009, and have not been applied in preparing these consolidated financial statements. The adoption of the following standards is not expected to have a material impact on the DHB's financial statements.

NZIAS 1, Presentation of Financial Statements (revised 2007). The revised standard gives HVDHB the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). HVDHB is yet to decide whether it will prepare a single statement of comprehensive income or a separate statement followed by a statement of comprehensive income.

NZIAS 2, Inventory for distribution – (effective annual periods beginning on or after 1 July 2009)

NZIAS 39, Classification of financial instruments – (unlikely to be applicable to HVDHB).

Statement of Financial Performance

for the year ended 30 June 2009

	Notes	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Operating income				
Total Government & Crown Agency Sourced Revenue		392,822	384,433	358,564
Interest		714	900	1,469
Other income		4,130		3,801
Total expenses		(392,170)	(369,470)	(358,325)
Operating Surplus before Depreciation, Capital Charge and Interest	**1**	**5,496**	**15,863**	**5,509**
Gain / (loss) on sale of assets		(9)	0	(7)
Depreciation	1	(7,745)	(9,107)	(7,545)
Capital charge		(5,483)	(5,508)	(6,163)
Interest expense		(1,255)	(1,248)	(1,222)
Net Operating Surplus/(Deficit)		**(8,996)**	**0**	**(9,428)**

Supplementary Information

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

	June 2009 Provider $000	June 2009 Governance $000	June 2009 Funder $000	June 2009 Elimination $000	June 2009 Consolidated $000
Operating income	191,584	3,126	359,423	(156,467)	397,666
Operating expenses	(182,558)	(3,089)	(362,990)	156,467	(392,170)
Operating Surplus before Depreciation, Capital Charge and Interest	**9,026**	**37**	**(3,567)**	**0**	**5,496**
Gain / (loss) on sale of assets	(9)	0	0	0	(9)
Depreciation	(7,741)	(4)	0	0	(7,745)
Capital charge	(5,483)	0	0	0	(5,483)
Interest expense	(1,255)	0	0	0	(1,255)
Net Operating (Deficit) / Surplus	**(5,462)**	**33**	**(3,567)**	**0**	**(8,996)**
Reconciliation to Retained Earnings					
Opening Balance	(23,288)	719	12,494	0	(10,075)
Net operating (deficit) / surplus for the year	(5,462)	33	(3,567)	0	(8,996)
Closing Balance	**(28,750)**	**752**	**8,927**	**0**	**(19,071)**

The accompanying notes and accounting policies on pages 10 to 15 and 21 to 35 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2009

	Notes	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Opening Balance 1 July	2	68,313	71,448	77,948
Surplus/(Deficit) for the period		(8,996)	0	(9,428)
Total recognised income and expense		**59,317**	**71,448**	**68,520**
Equity repayment to Crown	2	(207)	**0**	(207)
Equity contribution from Crown		0	0	0
Closing Balance		**59,110**	**71,448**	**68,313**

Mental Health Ring Fence for the year ended 30 June 2009

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 $8.927 million is $61,000 that is required to be used for future mental health service provision ($804,000 2008).

The accompanying notes and accounting policies on pages 10 to 15 and 21 to 35 form an integral part of these financial statements.

Statement of Financial Position

as at 30 June 2009

	Notes	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Equity				
Crown equity	2	27,813	28,227	28,020
Revaluation reserves	2	50,368	50,368	50,368
Retained earnings	2	(19,071)	(7,147)	(10,075)
Total Equity		**59,110**	**71,448**	**68,313**
Represented by:				
Current Assets				
Cash and cash equivalents		6,226	2,810	8,486
Receivables and prepayments	3	12,165	14,118	13,942
Inventories	4	1,202	1,517	1,195
Total Current Assets		**19,593**	**18,445**	**23,623**
Current Liabilities				
Payables and accruals	5	(37,562)	(47,127)	30,230
Employee entitlements and provisions	6	(21,484)	0	20,836
Borrowings	7	0	0	0
Total Current Liabilities		(59,046)	(47,127)	51,066
Net Working Capital Deficit		**(39,453)**	**(28,682)**	**(27,443)**
Non Current Assets				
Property, Plant and Equipment	9	117,839	122,601	114,359
Intangible Assets	10	1,854	0	1,822
Trust and bequest funds	12	665	798	848
Total Non Current Assets		**120,358**	**123,399**	**117,029**
Non Current Liabilities				
Employee entitlements and provisions	6	(2,130)	0	1,425
Borrowings	7	(19,000)	(22,471)	19,000
Trust and bequest funds	12	(665)	(798)	848
Total Non Current Liabilities		**(21,795)**	**(23,269)**	**21,273**
Net Assets		**59,110**	**71,448**	**68,313**

For, and on behalf of, the Board

Board Member Board Member 29th October 2009

The accompanying notes and accounting policies on pages 10 to 15 and 21 to 35 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2009

	Notes	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Cashflows from Operating Activities				
Cash was provided from:				
Cash receipts		402,232	384,433	364,749
Interest received		714	900	1,469
		402,946	**385,333**	**366,218**
Cash was disbursed to:				
Payments to providers		(198,477)	(243,158)	(192,434)
Payments to suppliers & employees		(189,669)	(127,444)	(161,017)
Net goods and services tax paid		556	0	(896)
Interest paid		(1,255)	(1,248)	(1,174)
Capital charge paid		(5,646)	(5,508)	(6,878)
		394,491	**(377,358)**	**362,399**
Net cash Inflow from Operating Activities	**8**	**8,455**	**7,975**	**3,819**
Cashflows from Investing Activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment		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 property, plant and equipment		(10,508)	(14,065)	(7,454)
		(10,508)	**(14,065)**	**(7,454)**
Net cash Outflow from Investing Activities		**(10,508)**	**(14,065)**	**(7,454)**

The accompanying notes and accounting policies on pages 10 to 15 and 21 to 35 form an integral part of these financial statements.

Statement of Cash Flows continued

for the year ended 30 June 2009

	Notes	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Cashflows from Financing Activities				
Cash was provided from:				
Equity Contribution		0	0	0
Loans raised		0	2500	0
		0	**2,500**	**0**
Cash was applied to:				
Repayment of Equity		(207)	0	(207)
Repayment of loans/finance leases			0	(2)
		(207)	**0**	**(209)**
Net Cash Inflow / (Outflow) from Financing Activities		**(207)**	**2,500**	**(209)**
Net Increase / (Decrease) in Cash Held		**(2,260)**	**(3,590)**	**(3,844)**
Add opening cash and cash equivalents		8,486	6,400	12,330
Ending Cash and Cash Equivalents Carried Forward		**6,226**	**2,810**	**8,486**
Cash and Cash equivalent balances in the Statement of Financial Position:				
Cash and Cash Equivalents		6,226	2,810	8,486
Bank overdraft		0	0	0
Ending Cash and Cash Equivalents carried Forward		**6,226**	**2,810**	**8,486**

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes and accounting policies on pages 10 to 15 and 21 to 35 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2009

	Year to June 2009 $000	Year to June 2008 $000
1. Operating surplus		
After crediting revenue:		
Interest income	714	1,469
Other income	4130	3,801
Total Government & Crown Agency Sourced Revenue	392,822	358,564
After charging expenses:		
Fees paid to external auditors:		
Audit fees - year end financial statements	99	94
Audit fees - impact of IFRS on financial statements	0	12
Board and Committee member fees:		
Board Member Fees	280	300
Committee Member Fees	14	20
Rental and operating lease costs	1,836	1,533
Bad debts - movement in provision	78	58
Bad debts written off	33	31
Net loss on sale of assets	9	7
Personnel costs	136,477	121,984
Depreciation:		
Building Structure	1,511	1,503
Building Services & Fitout	2,375	2,387
Site Improvements	66	61
Plant & Equipment	2,125	1,825
Motor Vehicles	22	41
Computer Equipment	715	523
Computer Software	927	880
Leased Plant & Equipment	4	325
Total depreciation	7,745	7,545
Interest expense:		
Crown Health Financing Agency	1,242	1,216
BNZ	13	0
Finance leases	0	6
Total interest expense	**1,255**	**1,222**

Notes to the Financial Statements continued

for the year ended 30 June 2009

		Year to June 2009 $000	Year to June 2008 $000
2	**Equity**		
(a)	**Crown Equity**		
	Opening balance	28,020	28,227
	Equity Repayment	(207)	(207)
	Closing Balance	**27,813**	**28,020**
(b)	**Revaluation Reserves**		
	Land		
	Opening balance	8,659	8,659
	Adjustment to reserves	0	0
	Revaluation	0	0
	Closing Balance	**8,659**	**8,659**
	Buildings		
	Opening balance	41,709	41,709
	Adjustment to reserves	0	0
	Revaluation	0	0
	Closing Balance	**41,709**	**41,709**
	Total Revaluation Reserves	**50,368**	**50,368**
(c)	**Retained Earnings**		
	Opening balance	(10075)	(647)
	Net operating surplus/(deficit)	(8,996)	(9,428)
	Closing Balance	**(19,071)**	**(10,075)**
	Total Equity	**59,110**	**68,313**

		Year to June 2009 $000	Year to June 2008 $000
3	**Receivables and Prepayments**		
	Trade debtors - Ministry of Health	4836	1,649
	Trade debtors - other	7153	12,288
	Provision for doubtful debts	(381)	(302)
		11,608	**13,635**
	Prepayments	557	307
		12,165	**13,942**
4	**Inventories**		
	Pharmaceuticals	172	148
	Surgical and medical supplies	1040	1,057
		1,212	**1,205**
	Provision for obsolescence	(10)	(10)
		1,202	**1,195**

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	2,770	7,890
	Accrued expenses	24,244	16,274
	Income in advance	7,026	3,694
	GST and other taxes payable	1,261	707
		35,301	**28,565**
	Capital charge payable to shareholders	1,377	1,539
	Fixed assets payable	884	126
		37,562	**30,230**

		Year to June 2009 $000	Year to June 2008 $000
6	**Personnel Costs**		
	Increase/(decrease) in employee entitlements (see below)	1,353	3,738
		1,353	**3,738**
	Employee Entitlements & Provisions		
	Annual Leave	11,977	10,203
	Long Service Leave	2,103	1,179
	Retirement Gratuities	997	926
	Other Employee Provisions	8,537	9,953
		23,614	**22,261**
	Made up of:		
	Current		
	Annual leave	11,977	10,203
	Long Service Leave	1,042	571
	Retirement Gratuities	220	277
	Other Entitlements	8,245	9,785
		21,484	**20,836**
	Non-current		
	Long Service leave	1,061	608
	Retirement gratuities	777	649
	Other entitlements and provisions	292	168
		2,130	**1,425**

The present value of the retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate HVDHB considered the risk free rates as calculated from the yields on NZ Government bonds that have terms to maturity that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 3.79% (2008: 7.05%) and an inflation factor of 2.75% were used.

If the discount rate were to differ by 1% from HVDHB's estimates, with all other factors constant, the carrying amount of the liability would be an estimated $119/$108 higher/lower. If the salary inflation factor were to differ by 1% from HVDHB's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated $119/$108 higher/lower.

		Year to June 2009 $000	Year to June 2008 $000
7	**Borrowings**		
	Crown Health Financing Agency	19,000	19,000
	Finance leases	0	0
		19,000	**19,000**
	Crown Health Funding Agency Loans are repayable as follows:		
	Current ***(payable to 30 June 2010)***	0	0
	One to two years ***(payable to 30 June 2011)***	0	0
	Two to five years ***(payable subsequent to 30 June 2011)***	19,000	19,000
		19,000	**19,000**
	Total current portion of loans	0	0
	Total non-current portion of loans	19,000	19,000
	Total Loans	**19,000**	**19,000**
	Interest rates per annum:	%	%
	Crown Health Financing Agency Loan	6.535	6.535
	Finance leases	0	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**

Notes to the Financial Statements continued

for the year ended 30 June 2009

		Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
8	**Reconciliation of Net Operating Surplus with Net Cash Inflow From Operating Activities**			
	Net operating surplus	(8,996)	0	(9,428)
	Add back non-cash items:			
	Depreciation	7,745	9,107	7,545
	Increase/(decrease) in Employee entitlements	1,353	0	3,455
	Total Non-cash Items	**9,098**	**9,107**	**11,000**
	Add/(subtract) items classified as investment activity:			
	Net gain/(loss) on sale of property, plant and equipment	(9)	0	(7)
	Total Investing Activity	**(9)**	**0**	**(7)**
	Add/(subtract) items classified as financing activity:			
	Repayment of loans/finance leases	0	0	(2)
		0	**0**	**(2)**
	Movements in working capital:			
	Decrease/(increase) in receivables and prepayments	1,359		(1,314)
	(Increase)/decrease in inventories	(8)		49
	(Decrease)/increase in capital charge payable	(163)		(714)
	Increase/(decrease) in payables and accruals	7,174	(1,132)	4,235
	Total Net Working Capital Movement	**8,362**	**(1,132)**	**2,256**
	Net Cash Inflow from Operating Activities	**8,455**	**7,975**	**3,819**

9. Property, Plant and Equipment

Movement for each class of property plant and equipment are as follows:

	Land	Site Improve-ments	Buildings Services Fitout	Plant & Equipment	Leased Assets	Motor Vehicles	Total
Cost or valuation							
Balance at 1 July 2007	10,570	1,031	95,593	33,423	98	549	141,264
Additions	0	69	1,560	2,681	0	3	4,313
Work in Progress	0	0	962	2,191	0	0	3,153
Revaluations	0	0	0	0	0	0	0
Disposals	0	0	0	(851)	0	0	(851)
Balance 30 June 2008	**10,570**	**1,100**	**98,115**	**37,444**	**98**	**552**	**147,879**
Balance 1 July 2008	10,570	1,100	98,115	37,444	98	552	147,879
Additions	0	19	2,094	3,299	0	0	5,412
Work in Progress	0	0	4,435	461	0	0	4,896
Revaluations	0	0	0	0	0	0	0
Disposals	0	0	(5)	(991)	0	0	(996)
Balance 30 June 2009	**10,570**	**1,119**	**104,639**	**40,213**	**98**	**552**	**157,191**
Accumulated depreciation							
Balance at 1 July 2007	0	56	3,846	23,287	81	430	27,700
Depreciation expense	0	61	3,888	1,817	13	41	5,820
Balance 30 June 2008	**0**	**117**	**7,734**	**25,104**	**94**	**471**	**33,520**
Balance at 1 July 2008	0	117	7,734	25,104	94	471	33,520
Depreciation expense	0	66	3,887	2,840	4	22	6,819
Depreciation on disposals	0	0	(5)	(982)	0	0	(987)
Balance 30 June 2009	**0**	**183**	**11,616**	**26,962**	**98**	**493**	**39,352**
Carrying Amounts							
At 30 June 2008	10,570	983	90,381	12,340	4	81	114,359
At 30 June 2009	10,570	936	93,023	13,251	0	59	117,839

Restrictions:

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

10. Intangible Assets

Movements for each class of intangible asset are as follows:

	Computer Software
Cost	
Balance 1 July 2007	6,982
Additions	182
Work in progress	0
Disposals	0
Balance 30 June 2008	**7,164**
Balance 1 July 2008	7,164
Additions	2,190
Work in Progress	(1,232)
Disposals	0
Balance 30 June 2009	**8,122**
Accumulated Amortisation	
Balance 1 July 2007	4,462
Amortisation expense	880
Disposals	0
Balance 30 June 2008	**5,342**
Balance 1 July 2008	5,342
Amortisation expense	926
Disposals	0
Balance 30 June 2009	**6,268**
Carrying amounts	
At 30 June 2008	1,822
At 30 June 2009	1,854

11. 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.

12. 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 it is obligated to return the donation to the donor. Funds are held in a separate bank account and any interest earned is allocated to the individual trust balances.

	Year to June 2009 $000	Year to June 2008 $000
Opening balance	848	798
Funds received	257	167
Interest received	39	65
Funds disbursed	(479)	(182)
Closing Balance	**665**	**848**

13. Statement of Commitments

Operating lease commitments		
Less than one year	1,275	1,546
One to two years	841	1,275
Two to five years	1,143	2,905
Over five years	0	1,089
	3,259	**6,815**
Provider funding commitments		
Less than one year	32,412	33,758
One to two years	26,988	25,939
Two to five years	11,866	34,920
Over five years	0	0
	71,266	**94,617**
Capital commitments		
Less than one year	19314	3,360
One to two years	0	535
	19,314	**3,895**
Total Commitments	**93,839**	**105,327**

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 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:

Health of Older Persons	35,089	33,607
Primary Care	56,231	52,028
	91,320	**85,635**

14. Statement of Contingencies

There are no contingent liabilities as at 30 June 2009 (Nil: 30 June 2008).

15. 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.

16. 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 Funding Agency and other sources that 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 2009 are disclosed in Note 7.

There are no interest rate options or swap agreements in place as at 30 June 2009**.**

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.

Liquidity Risk
Liquidity risk is the risk that Hutt Valley DHB will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate amounts of committed credit facilities and the ability to close out market positions. Hutt Valley DHB aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Hutt Valley DHB maintains a target level of investments that must mature within specified timeframes.

The following methods and assumptions were used to estimate 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.

The table below analyses Hutt Valley DHB's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

-	Less than 6 months	6 months to 1 year	Greater than 1 year
Financial liabilities measured at amortised cost			
2008			
Creditors & other payables (Note 5)	30,230	0	0
Borrowings (Note 7)	0	0	19000
2009			
Creditors & other payables (Note 5)	37,562	0	0
Borrowings (Note 7)	0	0	19000
Loans and receivables			
2008			
Cash & cash equivalents	8,486	0	0
Debtors & other receivables	13,942	0	0
2009			
Cash & cash equivalents	6,226	0	0
Debtors & other receivables	12,165	0	0

17. 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 83.6% (83%: 30 June 2008) of its revenue from the Government, through the Ministry of Health, to fund and provide health services. The amount outstanding at 30 June 2009 was $4.9 million ($1.6 million: 30 June 2008).

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.

The following transactions were carried out on an arm's length basis with related parties other than those described above. They represent the aggregate value of transactions and outstanding balances relating to entities over which key management personnel have an influence.

	Year to June 2009 $000	Year to June 2008 $000
Central Region Technical Advisory Services (Note 11)		
Purchased	395	396
Provision of technical assistance		
Received	24	24
Outstanding at year-end		
Payable	0	7
Receivable	0	7
District Health Boards New Zealand		
Purchased	170	286
Provision of advisory services	7	25
Received		
Outstanding at year-end		
Payable	54	84
Receivable	0	0

There are family members of key management personnel employed by Hutt Valley DHB or suppliers to Hutt Valley DHB. The terms and conditions of those arrangements are no more favourable than Hutt Valley DHB would have adopted if there were no relationship to key management personnel.

18. 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 2008).

19. Post Balance Date Events

There are no significant events subsequent to balance date.

20. 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
Cash and cash equivalents/ Receivables and Prepayments	The cash and cash equivalents have decreased during the year due to increased payments to suppliers and providers.
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 agreements settled during the year which have increased salaries and also increased year end accrual balances for for annual leave liabilities.

Notes to the Financial Statements continued

for the year ended 30 June 2009

21. Board Members Remuneration 2009

Board Members	Year to 30-Jun-09 Board Fees	Year to 30-Jun-09 Com. Fees	Year to 30-Jun-09 Total fees	Year to 30-Jun-08 Total fees
P Glensor (Chairman)	40,000	7,750	47,750	47,250
S Cole (Deputy Chairman)	25,000	4,500	29,500	29,875
K Austin	20,000	4,938	24,938	24,250
P Brosnan	20,000	2,750	22,750	12,917
P Christianson	0	0	0	14,167
C Cunningham	0	0	0	12,667
S Greig	20,000	3,250	23,250	12,417
W Guppy	20,000	3,000	23,000	13,417
K Hindle	20,000	4,813	24,813	24,813
K Laban	20,000	4,000	24,000	25,750
C Love	20,000	2,000	22,000	21,500
P McCardle	11,667	3,000	14,667	25,063
D Ogden	20,000	3,250	23,250	24,000
R Wallace	0	0	0	12,417
Total	**236,667**	**43,251**	**279,918**	**300,503**

Co-opted Committee Members	Year to 30-Jun-09 Total fees	Year to 30 Jun 08 Total fees
G Alcorn	2,250	2,000
A Bain	500	400
N Cutelli	500	1,000
W Dunn	750	1,000
L Fortune	0	750
D Graig	200	400
L Hawkins	500	400
D Judd	400	300
J Paton	600	400
V Puketapu	100	0
S Reid	1,750	1,250

Co-opted Committee Members	Year to 30-Jun-09 Total fees	Year to 30 Jun 08 Total fees
D Rodger	0	250
S Rule	0	750
J Ryall	444	0
F Stowers	0	750
K Stuart	500	1,000
Te PaePae Arahia	0	300
M Tunoho	1,500	1,750
P Umanga	1,850	450
I Vaofusi	1,500	1,250
D Wilson	400	300
Total	13,744	14,700

22. Employee's remuneration 2008 / 2009

Range	Year to 30 June 2009	Year to 30 June 2008	Med / Dental Year to 30 June 2009
100,000 - 109,999	27	20	11
110,000 - 119,999	11	8	7
120,000 - 129,999	8	11	6
130,000 - 139,999	7	10	7
140,000 - 149,999	10	6	8
150,000 - 159,999	7	5	6
160,000 - 169,999	5	8	4
170,000 - 179,999	10	6	9
180,000 - 189,999	9	7	9
190,000 - 199,999	9	12	8
200,000 - 209,999	6	5	6
210,000 - 219,999	6	3	4
220,000 - 229,999	5	7	5
230,000 - 239,999	5	3	5
240,000 - 249,999	4	2	4
250,000 - 259,999	5	1	5
260,000 - 269,999	2	2	2
270,000 - 279,999	0	0	0
280,000 - 289,999	2	0	2
290,000 - 299,999	0	0	0
300,000 - 309,999	0	1	0
310,000 - 319,000	0	0	0
320,000 - 329,999	0	0	0
330,000 - 339,999	1	1	0
340,000 - 349,999	0	0	0
350,000 - 359999	0	1	0
360,000 - 369,999	1	0	1
370,000 - 379,999	0	0	0
380,000 - 389,999	0	0	0
390,000 - 399,999	0	0	0
500,000 - 509999	1	0	1
Grand Total	**141**	**119**	**110**

Key Personnel Remuneration

Key personnel comprise Chief Executive Officer, Chief Financial Officer, Director Planning and Funding, Chief Operating Officer, General Counsel, General Manager Communications, Director of Medicine and Director of Nursing. A total of $1,607,661 ($1,690,130 2008) was paid in short term benefits.

Long-term benefits amounted to $16,637 ($24,522 2008). Termination benefits totalled $70,757 ($70,757 2008). Total: $1,695,055 ($1,785,409 2008)

Board members were also paid an annual fee and expenses totalling $279,918 ($300,503 2008); see Note 20.

Employee Benefits

Retirement gratuities, in lieu and special leave and other employment settlement payments of $321,542 were paid to 67 staff in the year ending 30 June 2009 ($523,635 to 48 staff 2008).

Statement of Objectives and Service Performance

for the year ended 30 June 2009

Introduction

As a crown entity, Hutt Valley DHB is required by the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004 to report on its service performance. In this section the actual performance of Hutt Valley DHB for the year ended 30 June 2009 is measured against the undertakings made in the Hutt Valley DHB's Statement of Intent 2008/09-2010/11. The Auditor-General has audited this performance report for accuracy and reasonableness.

Objective	Measure	Target 2008/09	Results	Comments
Health Target 1: Improving immunisation coverage District Strategic Plan indicator: Immunisation effectiveness.	Percentage of children fully immunised by age two.	Total: 87% Maori: 83% Pacific: 87% (note the District Strategic Plan targets for 2008 (Total; 84%, Māori; 80%, Pacific; 84%) have been replaced by the national health targets above, which are higher).	Actuals for the year ending 30 June 2009: Total: 85% Maori: 84% Pacific: 88%	The targets for Maori and Pacific children were achieved and are an improvement on previous years. We were 2% short of the total target. Achievement of high levels of immunisation is a key performance target for the Hutt Valley Primary Health Organisations (PHO). As at September 2008, all of our Primary Health Organisations were well above the national average for their immunisation rates.

Health Target 2: Improving oral health.	Adolescent oral health utilisation.	65.5%	Actual for the 2008 calendar [1]year 53%	The target for the number of adolescents accessing oral health services was not met. A joint Hutt Valley and Capital & Coast DHB Child and Adolescent Oral Health Project Business Case was approved in 2008/09. When established the new service model will: • Increase enrolment • Reduce disparities in DMFT and caries figures between Māori, Pacific and other children • Increase the total number of examinations and treatments • Reduce the arrears rates for recall to services • Improve therapist productivity • Improve workforce recruitment and retention • Improve information collection, monitoring and communication.
Health Target 3: Improving elective services.	Compliance against Elective Services Patient Flow Indicators (ESPIs[2]) and delivery of agreed number of elective service discharges.	ESPI 1: >92% ESPI 2: <1.6% ESPI 3: <4% ESPI 4: <5% ESPI 5: <4% ESPI 6: <8% ESPI 7: <4% ESPI 8: >92% Case Weighted Discharges: 5,989 No. of discharges: 4,984	Actuals for the year ending 30 June 2009: ESPI 1: 100% ESPI 2: 0.4 - 0.6% ESPI 3: 0.0% ESPI 4: N/A ESPI 5: 0.8 - 2.4% ESPI 6: 0.0% ESPI 7: 0.3 - 1.5% ESPI 8: 100% Case Weighted Discharges: 6,563 No. of discharges: 5,238	We have achieved all targets for compliance with Elective Services Patient Flow Indicators. The targets for Discharges and Case Weighted Discharges were greatly exceeded.

[1] This measure refers to a calendar year – i.e the school year for adolescents
[2] Elective Services Patient Flow Indicators (ESPIs) are Ministry of Health targets for DHBs to see and treat patients in a timely manner.

Health Target 4: Reducing cancer waiting times.	Waiting times between first specialist assessment and the start of radiation oncology treatment (excluding category D patients)	Capital and Coast DHB is the provider for these services. In 2008/09 the target was that all patients (100%) wait less than 6 weeks.	Actuals for the year ending 30 June 2009: Of the 268 Hutt Valley residents (excluding category D patients) starting radiation oncology treatment at Capital & Coast DHB, 246 (92%) waited for less than six weeks.	Over the year 92% of Hutt Valley patients received treatment within the target timeframe. The number of patients waiting longer than 6 weeks in any month did not exceed 3. A new linear accelerator was commissioned in January 2009. Waiting times have improved, although capacity at Capital & Coast DHB is still restricted due to facilities being shared with the Brachytherapy Service.
Health Target 5: Reducing ambulatory sensitive (avoidable) admissions.	Ambulatory sensitive admission[3] rates expressed as ratios of observed to expected where 100 is the benchmark (i.e. a reported figure over 100 means that Hutt Valley DHB has higher ambulatory sensitive admissions compared with the national average)	Maori 0-74: <=116 Pacific 0-74: <=100 Other 0-74: <=115 Maori 0-4: <=127 Pacific 0-4: <=122 Other 0-4: <=149 Maori 45-64: <=106 Pacific 45-64: <=95 Other 45-64: <=110	Actuals to December 2008[4]. Maori 0-74: 112 (i.e. 12% higher than national average) Pacific 0-74: 109 Other 0-74: 109 Maori 0-4: 121 Pacific 0-4: 128 Other 0-4: 131 Maori 45-64: 90 (i.e. 10% lower) Pacific 45-64: 88 Other 45-64: 106	Admissions are better (lower than the target) for all the population groups with the exception of older and young Pacific people, where admission numbers fluctuate markedly from one quarter to the next due to smaller population numbers. There has been a significant improvement for Māori when compared with previous years. In 2008/09 we implemented an Access Coordination Service to assist patients attending Hutt Hospital access primary health care.

[3] Ambulatory sensitive hospital admissions are usually unplanned admissions that are potentially preventable. They provide an indication of access to, and the effectiveness of, primary health care, as well as management of the interface between the primary and secondary health.
[4] Latest available data from the Ministry of Health

Health Target 6: Improving diabetes and cardiovascular services and District Strategic Plan indicator 4: Diabetes.	Diabetes detection and follow-up rate (percentage of estimated diabetics accessing a Get Checked annual review).	Diabetes detection and follow-up rate Maori: 41% Pacific: 51% Other: 52% Total: 50%	Provisional for the year ending 30 June 2009: Diabetes detection and follow-up rate Maori: 50% Pacific: 65% Other: 63% Total: 61%	Our overall DHB targets were achieved. Over 6000 people are estimated to have diabetes in the Hutt Valley. Around 3900 people visited their General Practitioner for a Get Checked Annual Review. Four of our five PHOs have exceeded the DHB target for Diabetes Annual Reviews.
	Diabetes management (percentage of people receiving an annual review who have good diabetes management – HBA1C <=8%).	Diabetes management Maori: 57% Pacific: 50% Other: 79% Total: 72%	Diabetes management Maori: 59% Pacific: 50% Other: 78% Total: 72%	Targets have been achieved for Māori and Pacific people. The percentage of people receiving an annual review who have good diabetes management – HBA1C <=8% is consistent across our five PHOs.
	Cardiovascular risk assessment (percentage of people who have had their CVD risk assessed in the last five years).	CVD risk assessment Maori: 66.3% Pacific: 69.4% Other: 77.4% Total: 75.8%	CVD risk assessment Maori: 65.8% Pacific: 69.4% Other: 76.7% Total: 75.1%	Overall DHB targets for cardiovascular risk assessment were very nearly achieved. All five PHOs are delivering CVD Risk Assessments. There is a wide range of uptake. This is a new indicator with only 6 months data available.
	Diabetic retinopathy screening (percentage of people receiving an annual review who have had a retinal screen in the past two years.[5]	Retinopathy screening Maori: 83% Pacific: 83% Other: 83% Total: 83%	Retinopathy screening Maori: 69% Pacific: 67% Other: 79% Total: 77%	

[5] This health indicator, which appears in our District Strategic Plan, has been replaced with the above CVD risk assessment indicator.

Health Target 7: Improving mental health services.	Percentage of long-term clients having an up-to-date relapse prevention plan.	99% (for all target groups)	Actuals for the year ending 30 June 2009: 20 years plus (excluding those with addictions only): 40% 20 years plus (addictions only): 100% Child & Youth: 90% Total: 41%	Difficulties in the collection and reporting of data have impacted on the measurement of this target. Better systems and staff training are being implemented, as part of a service restructuring that should improve data reporting in future years.
Health Target 8: Improve nutrition, increase physical activity and reduce obesity.	Percentage of infants exclusively and fully breastfeed at six weeks, three months and six months Percentages of adults consuming at least three servings of vegetables per day and at least two servings of fruit per day.	Breastfed at 6 weeks; 74% 3 months; 57% 6 months; 27% No local targets set Consumption of Vegetables; 70% Fruit; 60%	Plunket data for Hutt Valley for 2008 show: 85% of infants were fully and exclusively breastfed on discharge 6 weeks; 60% 3 months; 49% 6 months; 19% In 2002/03, nationally, the proportion of adults consuming three of more servings of vegetables was 68.6% and the proportion of adults consuming two or more servings of fruit was 54.6% in 2002/03. Data from the 2007 Adult Nutrition Survey is not yet available from the Ministry of Health.	In 2008/09 we continued the implementation of our local Healthy Eating Healthy Action programme, building on our investment in strong community engagement. Our work has included: • Improving the food and nutrition environment in schools and early childhood centers • Implementation of the Hutt Valley DHB Breastfeeding Action Plan and Mum-4-Mum programme • Support for 17 Māori community action projects providing a mix of community based nutrition, physical activity and weight-loss programmes • Mauri Oho Mauri Tau; a Tamariki Obesity programme • Active Family clinics in conjunction with Whai Oranga O Te Iwi Health Centre and Piki Te Ora Ki Te Awakairangi PHO • Support for the Wellington Regional Recreation Implementation Group (WRRIG) “At The Heart” Strategy • Support for the Wahine TRYathlon.

Health Target 9: Reduce the harm caused by tobacco.	The prevalence of never smokers among 14 and 15 year olds. The percentage of smokefree homes where there is one or more smoker.	No local targets set.	The latest published data from the Ministry of Health states that the proportion of 14 and 15 year olds who have never smoked is 54%. The overall age standardised rate of exposure to second hand smoke inside the home dropped from 8.4% in 2007 to 7.1% in 2008. There was a greater reduction in exposure to second hand smoke inside the home from 2007 to 2008 for both Māori and Pacific people than for others.	A Regional Tobacco Control Plan was developed and agreed between Hutt Valley and Capital and Coast DHB, in conjunction with Regional Public Health. The Plan includes training for our clinicians (primary care and hospital based) to implement the effective brief intervention (EBI) model. Regional Public Health provides controlled purchase operations of tobacco retailers, health promotion, and regional coordination of smokefree activity, including work with the Healthy Schools project. Supplementing the national Quit Line, we fund targeted programmes for Maori through Kokiri Marae. Our campus smokefree policy is backed up with staff training support and greater access to nicotine replacement therapy.
District Strategic Plan indicator 2: Oral health.	Average number of decayed/missing /filled teeth (DMFT) at year 8 **(a lower score indicates a good result).**	Maori: 1.2 Pacific: 1.2 Other: 0.7 Total: 0.9	Actuals 2008 calendar year[6]. Maori: 1.37 Pacific: 1.20 Other: 0.80 Total: 0.95	The results for Māori and Pacific children are an improvement on 2007 where the average number of decayed, missing or filled teeth was 1.50 and 1.40 respectively. Targets were met for Pacific children. An increased average number of decayed, missing and filled teeth in 5 year olds was measured between 1999 and 2003 and we continue to pick up these children as they reach year 8. Longer-term trends are positive and we have seen steady improvements overall.

[6] This measure refers to a calendar year – i.e the school year

District Strategic Plan indicator 3: Primary health.	Ratio of age-standardised rate of General Practitioner consultations per high need person (decile 9 or 10 or Maori/Pacific) compared to non-high need person.	>1.15	Actual as at March 2009. 1.05	While high needs people are receiving slightly more consultations on average; an improvement on previous periods, the target has not been achieved. Data indicates variability between our PHOs. Two of our PHOs are approaching the target and carry out a higher proportion of high needs consultations compared with other PHOs. Work is underway to increase the general practitioner workforce in the Hutt Valley and to improve access to primary health care for our high needs populations.
District Strategic Plan indicator 5: Breast Cancer Screening.	Breast cancer screening coverage rates.	Breast screening Women 45-69: 70%	Breast screening coverage rates for the two years ended 30 June 2009: Women 45-49: 55% Women 50-54: 65% Women 55-59: 72% Women 60-64: 73% Women 65-69: 72% Women 45-69: 66% Maori Women 45-69: 55% Pacific Women 45-69: 53%	Coverage rates for women between 55 and 69 years are exceeding national targets. Rates continue to increase for all women and for Maori and Pacific in particular. Overall this target is partially achieved. Primary Health Organisation figures show positive trends, with two of PHOs improving significantly, one of which has a high needs population.
District Strategic Plan indicator 5: Cervical Screening.	Cervical screening coverage rates.	Cervical screening Women 20-69: 78%	Cervical screening coverage rates as at August 2008:[7] Maori Women 20-69: 59% Pacific Women 20-69: 52% Other Women 20-69: 83%	Cervical screening coverage rates have increased for Māori and Pacific women when compared with previous periods. As at September 2008, one of our PHOs had exceeded the national target, while 3 PHOs had improved significantly compared with 2007/08.

[7] Latest figures available from the National Screening Unit, Ministry of Health

District Strategic Plan indicator 6: Mental health services.	Percentage of population accessing mental health services (as reported to the Mental Health Information National Collection) compared to the 3% of the population that are estimated to have severe mental health disorders.	Maori 0-19: 2.3% Maori 20-64: 3.7% Maori 65+: 1.3% Pacific 0-19: 1.0% Pacific 20-64: 2.5% Pacific 65+: 1.0% Other 0-19: 2.3% Other 20-64: 2.9% Other 65+: 1.5% Total 0-19: 2.3% Total 20-64: 2.9% Total 65+: 1.5%	Actuals to year ended 31 March 2009[8] Maori 0-19: 1.0% Maori 20-64: 3.1% Maori 65+: 0.55% Pacific 0-19: 0.29% Pacific 20-64: 1.52% Pacific 65+: 0.60% Other 0-19: 0.94% Other 20-64: 1.78% Other 65+: 0.58% Total 0-19: 0.95% Total 20-64: 1.98% Total 65+: 0.58%	Difficulties in the collection and reporting of data have impacted on the measurement of this target. Better systems are being implemented, as part of a service restructuring that should improve data reporting in future years.
District Strategic Plan indicator 7: Information	Percentage of primary care referrals and hospital discharges done electronically.	Increasing percentages over time.	The percentage of electronic referrals and discharges has increased.	All services are now communicating discharge details to primary care electronically. There has been a significant increase in the number of services processing an increasing number of electronic referrals.

The table below shows the department wise percentage of electronic discharge letters sent to primary care and the referrals received by these departments from primary care.

Service	Discharges			Referrals		
	2006	2007	2008	2006	2007	2008
Dental	57%	91%	85%	0%	n/a	0%
Specialist Rehabilitation	99%	100%	90%	0%	n/a	36%
Mental Health	84%	75%	86%	0%	n/a	n/a
Gynaecology	81%	83%	50%	0%	15%	84%
Rheumatology	100%	100%	100%	0%	6%	21%
Emergency	51%	65%	72%	n/a	n/a	n/a
Ear, Nose and Throat	86%	67%	81%	0%	13%	66%
Orthopaedics	89%	87%	87%	0%	17%	90%
Cardiology	99%	98%	97%	0%	8%	59%
General Surgery	91%	82%	86%	0%	8%	65%
Obstetrics	62%	61%	49%	0%	26%	59%
Paediatric Medicine	99%	98%	98%	0%	12%	64%
Plastics and Burns	97%	94%	88%	0%	4%	26%
General Medicine	98%	98%	99%	0%	12%	75%

[8] Latest available data

District Strategic Plan indicator 8: Workforce.	Ratio of Full-Time Equivalent General Practitioners (GP) and Practice Nurses (PN) to the population.	Population per GP: <1850 Population per PN: <2775	Actuals for the year ending 30 June 2009: Population per GP: 1936 Population per PN: 2033	We have had a shortage of primary care practitioners for some time. A number of workforce development initiatives have been progressed over the year and efforts to attract GPs and practice nurses are having some success.
District Strategic Plan indicator 9: Physical activity.	Proportion of population using active modes of transport (walking or cycling) for trips less than 2 kilometers.	Greater Wellington Regional Council (GWRC) targets for 2016 0-1kilometer: 80% 1-2 kilometer: 60%	Greater Wellington Regional Council survey data 2006 0-1kilometer: 74% 1-2 kilometer: 27%	This is an intersectoral indicator with long-term targets. It is measured biannually through a GWRC survey.
District Strategic Plan indicator 10: Hospital performance.	Proportion of day case discharges.	>35%	Actuals for the year ending 30 June 2009: Day case discharges: 10114 Total discharges (including newborns): 27808 Day case discharges: 36.4%	The number and percentage of daycase discharges has increased. A significant improvement on previous years.

Discharge Year	Total Discharges	Total Daycase	Discharge Daycase (%)
2008/2009	27802	10114	36.4%
2007/2008	27206	9372	34.4%
2006/2007	26604	9372	35.2%
2005/2006	26633	9393	35.3%

Statement of Objectives and Service Performance

for the year ended 30 June 2009

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.

Cost of Services for the year ended 30 June 2009 – Funding and Planning Services

	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Operating income	359,423	352,584	331,692
Operating expenses	(362,990)	(350,613)	(330,289)
Net Operating Surplus	**(3,567)**	**1,971**	**1,403**

Major Variations from the Statement of Intent

The main variation from the Statement of Intent is additional revenue from the Ministry relative to personal health. This additional revenue was offset by increased expenditure in funding the DHB's provider arm and other health providers.

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 the costs 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 2009 – Governance and Administration Services

	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Operating income	3,126	3,126	3,144
Operating expenses	(3,089)	(3,126)	(3,176)
Operating Surplus before Depreciation, Capital Charge and Interest	**37**	**0**	**(32)**
Depreciation	(4)	0	(4)
Net Operating Surplus	**33**	**0**	**(36)**

Major Variations from the Statement of Intent

Statement of Objectives and Service Performance

for the year ended 30 June 2009

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 2009 - Provider Services

	Year to June 2009 Actual $000	Year to June 2009 Budget $000	Year to June 2008 Actual $000
Operating income	191,584	183,437	166,844
Operating expenses	(182,558)	(169,545)	(162,706)
Operating Surplus before Depreciation, Capital Charge and Interest	**9,026**	**13,892**	**4,138**
Gain / (loss) on sale of assets	(9)	0	(7)
Depreciation	(7,741)	(9,107)	(7,541)
Capital charge	(5,483)	(5,508)	(6,163)
Interest expense	(1,255)	(1,248)	(1,222)
Net Operating (Deficit)	**(5,462)**	**(1,971)**	**(10,795)**

Major Variations from the Statement of Intent

The main source of increased expenditure was personnel expenditure resulting from multi-employer collective agreements, increased provisioning following actuarial valuations of employee entitlements for long service and other leave types, and additional costs for elective surgery.

Statement of Responsibility

1. The Board and management of Hutt Valley District Health Board accept responsibility for the preparation of the financial statements and statement of service performance, and 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 and statement of service performance for the year ended 30 June 2009 fairly reflect the financial position and operations of Hutt Valley District Health Board.

Board Member Board Member 29th October 2009

Audit Report

To the readers of Hutt District Health Board's financial statements and statement of service performance for the year ended 30 June 2009

The Auditor-General is the auditor of Hutt District Health Board (the Health Board). The Auditor-General has appointed me, Leon Pieterse, 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 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Health Board on pages 10 to 35:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Health Board's financial position as at 30 June 2009; 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 36 to 46:
  - 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 29th October 2009, and is the date at which our opinion is expressed.

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

Basis of Opinion

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

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

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

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

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;

- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

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

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

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Health Board as at 30 June 2009 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.

In addition to the audit we have carried out an assignment in the area of assurance over tender, which is compatible with those independence requirements. Other than the audit and the assignment, we have no relationship with or interests in the Health Board.

Leon Pieterse

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

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

This audit report relates to the financial statements and statement of service performance of Hutt District Health Board for the year ended 30 June 2009 included on the Hutt District Health Board's website. The Hutt District Health Board's Board is responsible for the maintenance and integrity of the Hutt District Health Board's website. We have not been engaged to report on the integrity of the Hutt District Health Board's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 29 October 2009 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

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

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 Brosnan
Sandra Greig
Wayne Guppy
Keith Hindle
Ken Laban
Catherine Love
Peter McCardle – *resigned* December 2008
David Ogden

Committee Members

The membership of the committees is as follows:

Community and Public Health Advisory Committee (CPHAC)
Katy Austin*, Chair*
Gill Alcorn
Peter Glensor
Wayne Guppy
Keith Hindle
Ken Laban
Catherine Love
Stewart Reid
Muriel Tunoho
Iunita Vaofusi

Disability Support Advisory Committee (DSAC)
Ken Laban, ***Chair***
Pat Brosnan
Natasha Cutelli – *resigned February 2009*
Warick Dunn
Peter Glensor
Sandra Greig
Catherine Love
David Ogden
John Ryall
Pati Umaga

Finance, Property and Audit Committee (FAC)
Keith Hindle*, **Chair***
Katy Austin
Sharron Cole
Peter Glensor
Wayne Guppy
Ken Laban – *joined FAC March 2009*
Peter McCardle – *resigned December 2008*
David Ogden – *joined FAC March 2009*

Hospital Advisory Committee (HAC)
Sharron Cole, ***Chair***
Mena Aukuso – *joined HAC September 2009*
Pat Brosnan
Peter Glensor
Sandra Greig
Peter McCardle – *resigned December 2008*
David Ogden
Keriata Stuart – *joined HAC April 2009*

Executive Management Team

Chai Chuah
Chief Executive

Jill Lane
Chief Operating Officer

Dr Robert Logan
Chief Medical Advisor

Iwona Stolarek
Deputy Chief Medical Advisor

Toni Dal Din
Director of Nursing

Bridget Allan
Director, Planning, Funding and Public Health

Kuini Puketapu
Maori Health Advisor

Siloma Masina
Pacific Peoples' Health Advisor

Russell Simpson
Director of Allied Health

Liz Fitzmaurice
Primary Care Liaison

Cheryll Graham
Disability Advisor

Phil Kerslake
General Manager Human Resources

David Graham
GM Communications

Michael Hundleby
General Counsel

Peter Kennedy
Chief Financial Officer

Tony Cooke
Chief Information Officer

Stephanie Chapman
Project Manager