Wairarapa District Health Board

Annual Report

2013

Wairarapa DHB
Wairarapa District Health Board
Te Poari Hauora a-rohe o Wairarapa

CONTENTS

FOREWORD

This Annual Report is a summary of the Wairarapa District Health Board's (WDHB) performance during the year 1 July 2012 to 30 June 2013. The Report covers progress the WDHB made towards goals set in its Statement of Intent, District Annual Plan and District Strategic Plan.

ABOUT THE WAIRARAPA DISTRICT HEALTH BOARD

The WDHB works co-operatively with health professionals and the community to improve, promote and protect the health and well-being of the Wairarapa community, with a focus on reducing differences in health outcomes, particularly for Maori.

The WDHB operates hospital, health and disability support services and contracts independent community-based organisations to provide services, such as the Wairarapa Community Primary Health Organisation, family doctors, pharmacists and mental health, disability support and Maori health organisations.

In population terms, WDHB is the second smallest of the twenty-one DHBs, with a population of nearly 40,000. Whilst it has a small population base, this population is spread over a large geographic area. Its cover extends from the Rimutaka Hill and Ocean Beach in the south to Mount Bruce in the north, a total of 5,936 square kilometres. The Wairarapa district includes three Territorial Local Authorities: Masterton; Carterton and South Wairarapa. The area is characterised by urban clusters surrounded by sparsely populated rural areas. About half of the population lives in urban centres compared with the national average of 83% for all DHBs.

Masterton, the largest of these urban clusters, is located in the heart of the Wairarapa and has a population of 18,000. Masterton, separated geographically from the rest of the Wellington region by the Rimutaka Ranges, is about an hour and a half drive from both Wellington and Palmerston North. Carterton, located south of Masterton, has a population of just over 7,000. South Wairarapa, with a total population of nearly 9,000, includes the towns of Featherston, Greytown and Martinborough. Approximately 30 percent of the properties in South Wairarapa are owned by absentee owners.

Rangitane O Wairarapa and Ngati Kahungunu Ki Wairarapa have manawhenua status within the district.

The Wairarapa population is static and aging. At the 2006 census the Wairarapa DHB is estimated to have a total population of 38,610. The Wairarapa population was projected to decrease by 4% between 2006 and 2026, compared to New Zealand which is projected to increase by 15% for the same period. However, the most recent census has shown a slight population increase overall.

Maori make up 14% of the total population, have a younger age profile and are projected to form an increasing proportion of the population. Pacific people make up 2% of the population.

Key demographic features of Wairarapa population include:

- Slight population increase overall over the next 10 years.
- Increasing Maori population (projected to increase 20% in next ten years).

- Older and rapidly aging population (over 55 population projected to grow 14.6% in the next 10 years).
- Very small Pacific population.

The population mix is predicted to change over the next few years, with increasing percentages of older people and increasing numbers of Maori. These are the groups that have the greatest needs for health and disability services.

OPERATING STRUCTURE

DHB Governance

The WDHB Board is the Governance Arm which oversees DHB activities. Its 11 members, seven elected and four appointed by the Minister of Health, set policy. The Board is advised by several committees and its policies are implemented by the Chief Executive and members of the Senior Leadership Team.

Funder Arm

The WDHB Planning and Funding arm plans, contracts, monitors and evaluates health and disability services run by the WDHB and contractors. When funding the services, Planning and Funding strives to maintain and improve the Wairarapa community's health within available funding. Planning and Funding also consults the community on significant changes to services and ensures any advice given to the Board is consistent with national strategies and Government policy.

Provider Arm

WDHB run services are known collectively as the Provider Arm of the WDHB and include:

- Medical and Surgical Services
- Mental Health
- Community Care, such as Community Nursing and Health Promotion
- Aged Care
- Disability Support Services

The Provider Arm no longer includes 'Ambulance' as this service was sold to Wellington Free Ambulance 1 March 2012.

The Provider Arm manages Wairarapa Hospital and community based services, and employs about 450 full-time equivalent staff.

Partnership with Iwi

The WDHB recognises and respects the Treaty of Waitangi, and the principles of partnership, participation and protection, in the context of the New Zealand Public Health and Disability Act 2000. The WDHB will continue to work with the Te Oranga o te Iwi Kainga to ensure Maori participation at all levels of service planning, and service delivery for the protection and improvement of the health status of Maori.

VISION, MISSION & VALUES

Our Vision

Well Wairarapa –Better health for all

Wairarapa ora – Hauora pai mo te katoa

Our Mission

To improve, promote, and protect the health status of the people of the Wairarapa, and the independent living of those with disabilities, by supporting and encouraging healthy choices.

Our Values

The values that underpin all of our work are:

- **Respect – Whakamana Tangata**
  According respect, courtesy and support to all
- **Integrity – Mana Tu**
  Being inclusive, open, honest and ethical
- **Self Determination - Rangatiratanga**
  Determining and taking responsibility for ones actions
- **Co-operation - Whakawhanaungatanga**
  Working collaboratively with other individuals and organisations
- **Excellence – Taumatatanga**
  Striving for the highest standards in all that we do

CHAIRMAN & CHIEF EXECUTIVE'S REVIEW

This has been an extraordinary year for Wairarapa DHB, as we have moved from vision to reality on our journey towards more streamlined services across Wairarapa, Hutt Valley and Capital & Coast DHBs.

In response to our three Annual Plans last year, the Minister required a plan to achieve a break-even result across the sub-region. The Board-commissioned Health Partners report built on the work of the sub-regional Clinical Leadership Group and provided a blueprint for this. An action plan based on the Health Partners report was subsequently signed off by the three Boards.

As a result of this, a single Chief Executive across Wairarapa and Hutt Valley DHBs was appointed in December 2012, and a single Executive Leadership Team was largely in place by April 2013. It is our clear direction that administrative changes are made to support the development of more joined-up services across our sub-region. There is still work to be done in aligning structures in Wairarapa and Hutt Valley DHBs to support the increasing level of clinical collaboration, but the basics of directorate structure and clinical and administrative accountabilities have been worked through over the remainder of the 2012/2013 year.

We recognise that our future lies in forging strong subregional and regional relationships and implementing sustainable arrangements to continue to deliver safe, high quality affordable services in the Wairarapa over the forthcoming years.

While we are very efficient and economical, our size works against us as we can't achieve the economies of scale or efficiencies possible for DHBs serving larger population bases. Therefore, the partnership model offered in the 3DHB Programme offers the best viable solution to continued clinical and financial viability.

In 2012/13 Wairarapa DHB met and exceeded many of the expectations that have been placed on it, and continued to deliver and fund high quality care. We are particularly proud of our achievements against the health targets, where our small size and ability to respond quickly to changing circumstances aided our consistently good ratings. Highlights include working with Compass Health to achieve an immunisation rate of 92% for 8 month old babies and 2 year olds, including 95% of Maori children; offering 98% of inpatients and 98% smokers attending primary care advice to help quit; and continuing to meet the 95% target for the percentage of patients discharged or transferred from ED within six hours.

The increased pace of integration work can be seen not just with our neighbouring DHBs but also with local health providers. The collaborative work done through the Tihei Wairarapa programme, a collaborative integration programme across the DHB and Primary Care has resulted in a 15% reduction in triage 4 and 5 self-presentations to ED - patients who are potentially more appropriately seen in primary care. There was also total volume reduction of 12% in the number of presentations to the emergency department. This partnership has also assisted in the further rollout of the local shared care electronic record, ongoing development of electronic referrals, improved synchronisation of prescriptions for patients on multiple medications, further development of an integrated model of care for Mental Health and Addiction services and ENT service improvements across Hutt, Wairarapa and Capital and Coast DHBs. Another highlight is an improvement in avoidable admission rates for children and Maori.

We expect the achievements of this year to be a firm foundation for the 2013/14 year, as we move from a 2DHB to an increasingly 3DHB model for service planning and delivery.

GOVERNANCE REPORT

ROLE OF THE BOARD

The Board's governance responsibilities include:

- Communicating with the Minister and other stakeholders to ensure their views are reflected in the DHB's planning
- Delegating responsibility for achievement of specific objectives to the Chief Executive
- Monitoring organisational performance towards achieving objectives
- Reporting to stakeholders on plans and progress against them
- Maintaining effective systems of internal control.

STRUCTURE OF THE DHB

DHB OPERATIONS

The Board appointed the Chief Executive to manage all DHB operations. All other employees of the DHB have been appointed by the Chief Executive either directly or via the Chief Executive's delegated authority. The Board directs the Chief Executive by delegating responsibility and authority for the achievement of objectives through setting policy.

QUALITY ASSURANCE

Wairarapa District Health Board (WDHB) has numerous processes to ensure the quality of the governance, funder and provider outputs.

GOVERNANCE PHILOSOPHY

BOARD MEMBERSHIP

The elected and appointed Board members have diverse skills and experience in order to bring a wide range of thought to bear on policy issues. All members are required to act in the best interests of the DHB. Members are encouraged to contribute to Board decision-making processes, acknowledging that the Board must stand unified behind its decisions once made; individual members have no separate governing role outside the boardroom. The Board acknowledges its responsibility to maintain communication with stakeholders and in particular remain cognisant of the Minister's expectations.

The members of the Board at 30 June 2013 is as follows (Board members commenced their term on 6 December 2010 except as noted):

- Bob Francis (Chair)
- Leanne Southey (Deputy Chair)
- Dr. Liz Falkner
- Charles Grant
- Rob Irwin
- Helen Kjestrup
- Rick Long

- Vivien Napier
- Fiona Samuel
- Janine Vollebregt

DISCLOSURE OF INTEREST

The Board maintains an interests' register. Board members are aware of their obligations to declare any potential conflicts of interests to ensure transparency in the decision making process.

Member	Interests Declared
Bob Francis (Chair)	Chairman - Pukaha Mount Bruce Board Member – Capital & Coast DHB Chairman - Wairarapa Healthy Homes Trustee – Wairarapa Community Transport Trust Chairman – Aratoi Foundation
Leanne Southey (Deputy Chair)	Director, Southey Sayer Ltd Chartered Accountant to health professionals including Selina Sutherland Hospital and Selina Sutherland Trust Trustee, Wairarapa Community Health Trust Trustee, Masterton Trust Lands Trust Sister-in-law employed by WDHB Director and part owner of Mangan Graphics Ltd
Dr. Liz Falkner	Salaried General Practitioner with Masterton Medical Ltd (MML). MML is a member of the Wairarapa Community PHO. Medical Advisor – Post Polio Support Society NZ Inc
Rob Irwin	Trustee, Wairarapa Community Health Trust

- Janice Wenn (resigned March 2013)

Ronald Karaitiana became a Board member 1 July 2013.

Member	Interests Declared
Charles Grant	Nil
Helen Kjestrup	Clinical Services Manager, Masterton Medical Ltd Shareholder, Property Investment Company Kjestrup Properties Ltd Assessor for Royal College of GPs for Cornerstone Programme Member, Compass Quality Board
Rick Long	Chairman of Wairarapa Community Transport Services Inc Chairman of Tolley Educational Trust Trustee for Sport and Vintage Aviation Society Director - Biomedical Services NZ Ltd
Vivien Napier	RNZ Plunket Society Member South Wairarapa District Council Deputy Mayor Director Katson Developments Vice President of the Wairarapa Branch Plunket Society
Fiona Samuel	Nurse Manager at Metlifecare
Janine Vollebregt	Te Part-time Academic Nurse Lecturer at UCOL
Yvette Grace	Te Oranga o Te Iwi Kainga Maori Relationship Board
Ron Karaitiana	ACC Manager in Claims Management

Member	Interests Declared
(From 1 July 2013)	Wife is DHB liaison from Child Youth & Family Maori relationships with staff vary from a number of
	cousins working at the Wairarapa DHB Trust Chairman Akura Lands Trust

DIVISION OF RESPONSIBILITY BETWEEN THE BOARD AND MANAGEMENT

Key to the efficient running of the DHB is that there is a clear division between the roles of the Board and Management. The Board concentrates on setting policy, approving strategy and monitoring progress toward meeting objectives. Management is concerned with implementing policy and strategy.

DELEGATIONS

The Board has an approved delegation policy in accordance with clause 39 Schedule 3 of the New Zealand Public Health and Disability Act 2000. This Act requires (s26(3)), and the policy allows, the Board to delegate management matters of the WDHB to the Chief Executive.

ACCOUNTABILITY

The Board holds monthly meetings to monitor progress toward its strategic objectives and to ensure that the affairs of the DHB and its subsidiaries are being conducted in accordance with the DHB's policies.

INTERNAL AUDIT

While many of the Board's functions have been delegated, the overall responsibility for maintaining effective systems of internal control ultimately rests with the Board.

The DHB uses external resources to maintain an internal audit function which is responsible for monitoring its systems of internal control and the quality and reliability of financial and non financial information reported to the Board. Internal Audit reports its findings directly to the Audit and Risk Committee established by the Board.

RISK MANAGEMENT

The Board acknowledges that it is ultimately responsible for the management of risks to the DHB. The Board has charged the Chief Executive through its risk management policy with establishing and operating a risk management programme in accordance with the Joint Australian/New Zealand Standard guideline requirements on risk management.

LEGISLATIVE COMPLIANCE

The Board acknowledges its responsibility to ensure the organisation complies with all relevant legislation.

DISCLOSURE OF ULTRA VIRES TRANSACTIONS

Wairarapa DHB has not entered any transactions during the year that have been enforced under section 20(3) of the Crown Entities Act 2004.

PERMISSION TO ACT DESPITE BEING INTERESTED IN A MATTER

A member who is interested in a matter relating to a DHB must not vote or take part in any discussion or decision of the board or any committee relating to that matter under section 66 of the Crown Entities Act 2004. However, under section 68 of the Crown Entities Act 2004, the Chair of the DHB may exempt one or more Board Members from this requirement if it is in the public interest to do so. Where such an exemption is given, this must be disclosed in the annual report.

No permissions were provided under section 68.

BOARD MEMBERS' MEETING ATTENDANCE

The table to the right shows the attendance of Board Members at Board and Committee meetings during the financial year. The numbers in brackets below shows the total meetings of the Board/Committee during the year.

The references to the committees listed in the table are as follows:

- CPHAC: Community & Public Health Advisory Committee
- HAC: Hospital Advisory Committee
- DSAC: Disability Support Advisory Committee
- ARC: Audit & Risk Committee
- CPHAC/DSAC 3DHB – Wairarapa/Hutt/Cap Coast combined

	Board Held	Board Attended	CPHAC Held	CPHAC Attended	DSAC Held	DSAC Attended	3DHB CPHAC/DSAC Held	3DHB CPHAC/DSAC Attended	HAC Held	HAC Attended	ARC Held	ARC Attended
Bob Francis	12	12	2	2	n/a	n/a	5	5	7	6	6	5
Leanne Southey	12	12	2	2	n/a	n/a	5	5	n/a	n/a	6	5
Rob Irwin	12	12	n/a	n/a	2	2	n/a	n/a	7	7	6	6
Vivien Napier	12	9	2	2	n/a	n/a	n/a	n/a	7	6	6	5
Janine Vollebreght	12	10	n/a	n/a	2	2	5	5	4	4	n/a	n/a
Rick Long	12	11	2	2	n/a	n/a	5	4	n/a	n/a	6	6
Janice Wenn (Last meeting Feb 2013)	6	6	n/a	n/a	2	1	n/a	n/a	3	3	n/a	n/a
Helen Kjestrup	12	10	2	2	n/a	n/a	n/a	n/a	7	6	n/a	n/a

Fiona Samuel	12	9	2	2	2	2	n/a	n/a	4	3	n/a	n/a
Liz Faulkner	12	9	2	1	2	1	n/a	n/a	n/a	n/a	n/a	n/a
Charles Grant	12	7	2	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Taiawhio Gemmell			2	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note that Ronald Karaitiana was appointed to the Board 1 July 2013 and replaced Janice Wenn who resigned from the Board in March 2013.

BOARD MEMBERS' REMUNERATION

Board members' remuneration received or receivable for the year ended 30 June 2013 are shown in the table below. In addition Board members are able to claim reimbursement for out of pocket expenses.

	2013 Board Fee	2013 Committees Fees	2013 Total Fees	2012 Total Fees
Bob Francis (Chairman)	32,000	4,094	36,094	35,813
Leanne Southey (Deputy Chair)	20,000	2,188	22,188	22,813
Rob Irwin	16,000	3,500	19,500	19,500
Vivien Napier	16,000	3,750	19,750	19,500
Janine Vollebregt	16,000	2,375	18,375	18,500
Rick Long	16,000	2,250	18,250	18,250
Janice Wenn (Resigned March	11,077	1,000	12,077	18,250
Helen Kjestrup	16,000	2,250	18,250	18,000
Fiona Samuel	16,000	1,750	17,750	17,750
Liz Falkner	16,000	500	16,500	17,750
Charles Grant	16,000	500	16,500	2,154
Mavis Mullins	0	0	0	1,481
Taiawhio Gemmell	0	500	500	1,250
Kim Smith	0	250	250	0
Ruth Carter	0	500	500	1,000
Lyn Olds	0	500	500	1,000
TOTAL	**191,077**	**25,907**	**216,984**	**213,011**

OUR PEOPLE

A skilled, supported and responsive workforce is essential for sustainable service delivery. The DHB needs the right mix of trained and qualified people in sufficient supply and working in partnership with each other. Trusting, valuing and fully engaging health professionals improves patient care and job satisfaction and will assist in recruitment and retention. Focusing on improving clinical workforce retention and fostering clinical leadership continues to be a key priority for the DHB.

The DHB supports the In Good Hands task force report. This report identified qualities of the New Zealand healthcare system in regards to clinical governance based on the following six principles:

- Quality and safety will be the goal of every clinical and administrative initiative
- The most effective use of resources occurs when clinical leadership is embedded at every level of the system
- Clinical decisions at the closest point of contact will be encouraged
- Clinical review of administrative decisions will be enabled
- Clinical governance will build on successful initiatives
- Clinical governance will embed a transformative new partnership which will be an enabler for better outcomes for patients.

Wairarapa DHB is committed to continuing to support and grow clinical leadership by supporting clinical governance of the patient journey across primary and secondary services.

Identifying more efficient and effective ways to deliver services at a regional, sub-regional and local level; controlling the growth of hospital labour costs; maintaining and where possible, improving hospital productivity: and achieving better integration of local primary and secondary services all require support, active involvement and leadership by clinicians.

The DHB continues to ensure local clinicians take a lead role in the establishment of regional clinical networks, local and regional clinical pathways, and optimal clinical arrangements for securing specialised hospital capacity with neighbouring DHBs. This strengthened clinical leadership was assisted through the activity of the Alliance Leadership Team, the Clinical Board and involvement of clinicians in the development of collaborative service models at a sub-regional and regional level.

The Clinical Board is responsible for providing clinical leadership; leading the development of clinical governance across all of the services provided by the DHB; overseeing the quality and safety of services delivered by DHB providers and the clinical quality programme; and providing advice and recommendations to the DHB Board, Chief Executive and management.

Meanwhile, the Alliance Leadership Team has clinical representation from across the Wairarapa health system and was the key driver in the development of Tihei Wairarapa and the implementation of the work programme.

The DHB focuses on the needs of each employee through individual performance planning and development. This ensures all staff have performance objectives that align to the DHB's strategy, goals and values. This individualised performance development framework will reduce staff turnover and improve staff retention.

GOOD EMPLOYER

A key value of the WDHB is to be a good employer. The WDHB embraces the 7 Key Elements of "the Good Employer' as prescribed by the EEO Commissioner. The elements are:

- Leadership, Accountability and Culture
- Recruitment, selection and Induction
- Employee Development, Promotion and Exit
- Flexibility and Work Design
- Remuneration, Recognition and Conditions
- Harassment and Bullying Prevention
- Safe and Healthy Environment

The WDHB has an equal employment opportunities focus within the relevant polices. A rigorous recruiting and selection procedure is followed to ensure fairness and equal opportunity. Training and Development opportunities are offered to all staff, and personal performance and development plans are a requisite for all employees.

Several forums are in place comprising a selection of employees from across the WDHB. These forums meet to consider workplace practices. Flexibility and work design are among the many topics these forums consider. Other topics include health and safety, and professional practices, for example nursing, clerical and administration.

The WDHB has a zero tolerance policy to bullying and harassment. This is supported by a Harassment and Bullying Policy and frequent training sessions for all employees on dealing with bullying and harassment.

Approximately 92 per cent of employees are covered by collective employment agreements (CEA). All the CEA's have prescribed Remuneration, Recognition and conditions clauses. The WDHB has a similar approach for those employees on individual employment agreements to ensure fairness and equity in Remuneration, Recognition and Conditions across the WDHB.

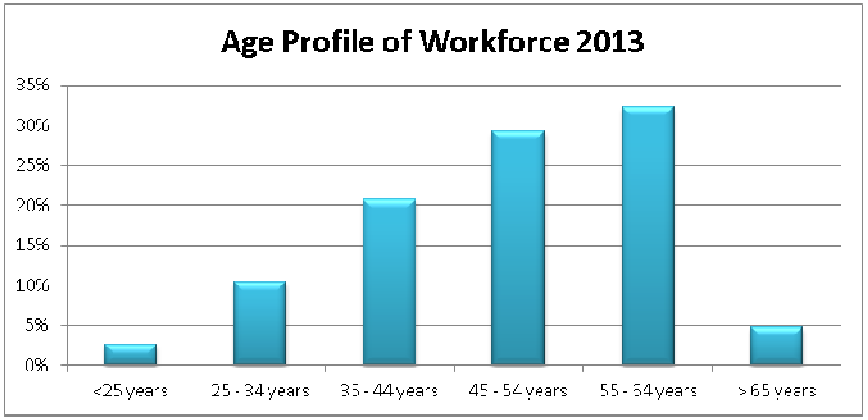
The Protected Disclosure Act 2000 and the Board's related policy, protects the right of employees to raise matters of public concern in a safe and appropriate manner. Where an individual may feel personally disadvantaged there are established grievance procedures available including external mediation or the mechanisms covered by the Employment Relations Act 2000. Employees also have 'no questions asked' access to the employee assistance programme.

WORKFORCE PROFILE

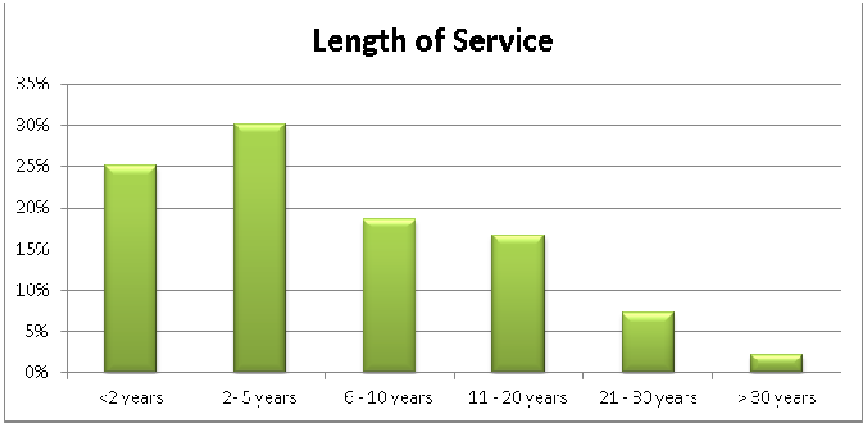
FULL TIME EQUIVALENT STAFF NUMBERS

	2013	2012	2011	2010	2009
Medical	39	38	36	33	33
Nursing	204	198	193	191	183
Allied Health	82	85	93	89	90
Other	101	120	119	125	127
Total	**426**	**441**	**441**	**438**	**433**

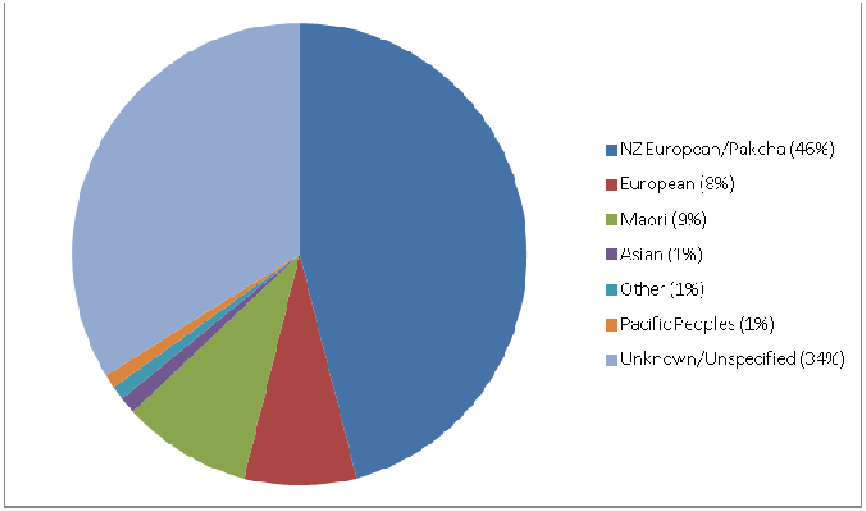
AGE PROFILE OF WORKFORCE



LENGTH OF SERVICE



STATISTICS BY ETHNICITY



STATISTICS BY GENDER

	2013	2012	2011	2010	2009
Female	82%	84%	83%	83%	83%
Male	18%	16%	17%	17%	17%

REMUNERATION OF EMPLOYEES

Employees (excluding board members), including management and medical staff, receiving remuneration in excess of $100,000 per annum are shown in the table to the right.

Of the employees shown above, 39 are clinical employees (2012: 40) and 15 are non-clinical employees (2012: 15).

TERMINATION PAYMENTS

During the year the Board made the following payments to former employees in respect of the termination of the employment (either as redundancy compensation or in equalisation payments upon completion of a service review) with the Board. The total paid during the 2012/13 year was $234,749 (2012: $7,786) to 6 staff (2012: 1).

	2013	2012
	No. of Employees	No. of Employees
$100,000 – $110,000	5	6
$110,001 – $120,000	6	8
$120,001 – $130,000	4	9
$130,001 – $140,000	7	4
$140,001 – $150,000	4	1
$150,001 – $160,000	2	2
$160,001 – $170,000	0	2
$170,001 – $180,000	2	4
$190,001 – $200,000	0	1
$200,001 – $210,000	3	0
$210,001 – $220,000	0	1
$220,001 – $230,000	1	3
$230,001 – $240,000	3	0
$240,001 – $250,000	6	3
$250,001 – $260,000	2	3
$260,001 – $270,000	1	3
$270,001 – $280,000	1	4
$280,001 – $290,000	2	0
$290,001 – $300,000	1	1
$300,001 – $310,000	2	0
$310,001 – $320,000	1	0
$350,001 – $360,000	1	0
	54	**55**

STATEMENT OF SERVICE PERFORMANCE

The Statement of Service Performance describes the DHB's non-financial performance and provides an indication of how well activity over the past year contributed to improving the health and well-being of the local population. The Statement of Service Performance also measures operational performance, ensuring the DHB is delivering sustainable and quality services effectively and efficiently. The Statement of Service Performance reports against targets outlined in the DHB's Statement of Forecast Service Performance in the Annual Plan and Statement of Intent. One of the functions of the Statement of Service Performance, as stated in the Crown Entities Act (s142) is to show how what Wairarapa DHB did in 2012/13 is measured. These performance measures, targets and milestone are subject to annual audit by auditors appointed by the Office of the Auditor General.

The performance measures include national measures, which are consistent across all 20 DHBs, along with local measures and associated targets. The measures presented are intended to provide a picture of access to services, timeliness of service provision and the quality of care being provided, in order to enable evaluation of performance over time. In determining the set of performance measures, we have focused on our identified health gain priorities, the transformation we are seeking to achieve and the expectations of the Minister of Health. The national 'Health Targets' are the measures that reflect the Minister of Health's expectations for 2012/13, and these are mixed through the Statement of Service Performance.

While the DHB is a provider of hospital and specialist services, we are also the funder of services for our community and work in partnership with other health and disability service providers, external agencies and organisations to collectively improve the health of our community. As the funder, we are often reliant on a third party to deliver the outputs needed to achieve the desired outcomes or objective, and our role is in influencing and enabling change through partnership, leadership and supportive contracting. A number of the associated performance measures in the 2012/13 Statement of Forecast Service Performance were chosen to provide an indication of the success of that collective and collaborative approach.

In the performance tables, each measure has a "key" which indicates the type of measure: coverage (C), Timeliness (T), Quality (Q) or Volume (V). 2011/12 comparative information is provided with measures where available.

Performance Interpretation

The tables on the following pages have the achievements against targets for each of these output classes. These have been categorized according to the table below:

ACHIEVEMENT	DEFINITION
Achieved	Target has been achieved
Partially Achieved	For targets with multiple components, some targets have been met but not all.
Not Achieved	Target has not been met.

This Statement of Service Performance has been grouped into four output classes. These groupings enable us to provide an overview of the services for which the DHB is responsible or accountable. The four output classes applied across all 20 DHBs are outlined below.

Prevention Services (Public Health Services)

Public health services are publicly funded services that protect and promote population health or identifiable subpopulations, comprising services designed to enhance the health status of the population as distinct from curative services which repair/support health and disability dysfunction.

Public health services address individual behaviours by targeting population wide physical and social environments to influence health and wellbeing. Public health services include health promotion to ensure that illness is prevented and equality in health status is achieved; statutorily mandated health protection services to protect the public from toxic environmental risk and communicable diseases; and, individual health protection services such as immunisation and screening services.

Early Detection and Management (Primary and Community Health Services)

Primary and community health care services comprise services that are delivered by a range of health and allied health professionals in various private, not-for-profit and government service settings. It includes general practice, community and Māori health services, pharmacist services, community pharmaceuticals and child and adolescent oral health and dental services. These services are by their nature more generalist, usually accessible from multiple health providers and from a number of different locations within the DHB.

Intensive Assessment and Treatment (Hospital Services)

The hospital services output class comprises services that are delivered by a range of secondary, tertiary and quarternary providers using public funds. These services are usually integrated with 'facilities' classified as hospitals to enable collocation of clinical expertise and specialised equipment. These services are generally complex and provided by health care professionals that work closely together. They include:

- Ambulatory services (including outpatient, district nursing and day services) across the range of secondary preventive, diagnostic, therapeutic and rehabilitative services
- Inpatient services (acute and elective streams) including diagnostic, therapeutic and rehabilitative services
- Emergency Department services including triage, diagnostic, therapeutic and disposition services.

Rehabilitation and Support (Support Services)

Support services comprise services that are delivered following a 'needs assessment' process and coordination input by Needs Assessment Service Co-ordination Services for a range of services including palliative care services, home-based support services and residential care services.

Financial Performance (000s)

Revenue	2011/12	2012/13 Budget	2012/13 Actual
Prevention	2,647	2,910	2,412
Early Detection and Management	41,497	42,128	40,530
Intensive Assessment and Treatment	67,371	65,444	71,001
Rehabilitation and Support	17,807	19,938	18,163
Total	**129,332**	**130,420**	**132,106**

Expenditure	2011/12	2012/13 Budget	2012/13 Actual
Prevention	3,289	3,674	3,213
Early Detection and Management	43,522	41,579	42,053
Intensive Assessment and Treatment	69,567	69,245	71,832
Rehabilitation and Support	18,111	19,022	18,344
Total	**134,489**	**133,520**	**135,442**

PERFORMANCE HIGHLIGHTS

In 2012/13 Wairarapa DHB maintained high performance in areas of achievement and progressed work to improve the health of the Wairarapa population.

- Through the work of Tihei Wairarapa, the collaborative integration programme across the DHB and Primary Care, there were improvements to the timeliness of care and that patients are treated in the right place. In 2012/13 there was a reduction of 15% in triage 4 and 5 self-presentations to ED, which are patients who are potentially more appropriately seen in primary care. There was also total volume reduction of 12% in the number of presentations to the emergency department.

- 92% of eight month olds had received their scheduled immunisations in 2012/13. Immunisation rates are 92% for Māori and 93% for children living in the most deprived areas, exceeding the national target of 85%.

    - WDHB also continues to perform well for immunisation at two years, with 93% of children fully immunised for the total population and 95% Maori.

- WDHB and Compass Health Wairarapa provided advice to help quit to 98% of people who smoke and were admitted to hospital in 2012/13 and to 96% of smokers attending primary care. This is first nationally for the primary care measure.

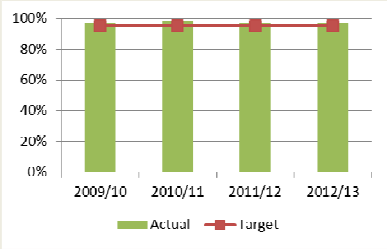
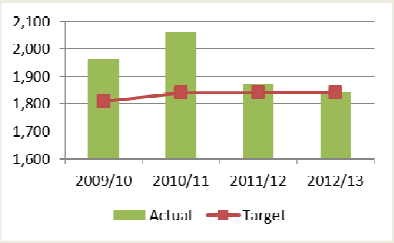
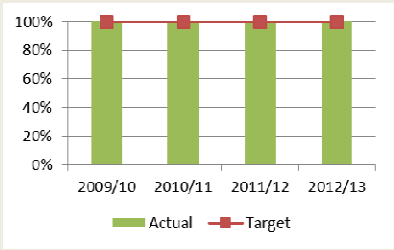
- Compass Health Wairarapa have exceeded the 75% national target for cardiovascular risk assessments. As at 30 June 2013 81% of the total eligible population had a cardiovascular risk assessment in the last five years and 76% of the eligible Maori population, and the DHB is placed third nationally. This represents an increase of 15% from 2011/12, and 2,197 risk assessments completed in 2012/13. This is a large volume for primary care and reflects the hard work of Compass Health.

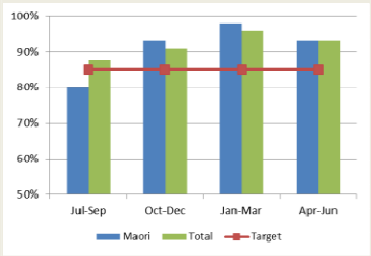
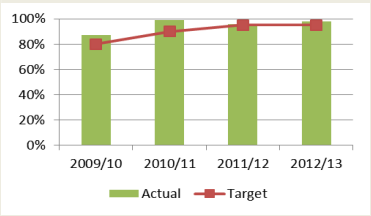
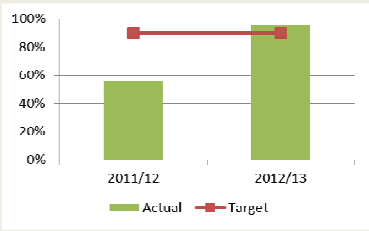
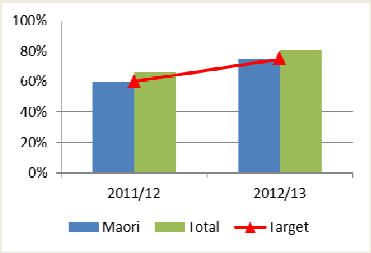
- People in the Wairarapa are less likely to be admitted to hospital for an avoidable condition compared to in 2011/12. Avoidable hospitalisation rates have improved for some population groups, particularly children and Māori, in 2012/13.

    - Wairarapa continues to meet the 95% target for the percentage of patients discharged or transferred from ED within six hours, and is second nationally for this measure.

    - The Wairarapa population had 1,842 elective surgery discharges in 2012/13, above the target of 1,841.

MINISTER'S HEALTH TARGETS

Health Target	Description and 2012/13 Result	Trend
Shorter stays in Emergency Departments 	95 percent of patients presenting at an Emergency Department (ED) will be admitted, discharged or transferred within six hours. 2012/13 Result: 97% **Output Class: Intensive Assessment and Treatment**	
Improved access to elective surgery 	More New Zealanders have access to elective surgical services with at least 4,000 additional discharges nationally every year. WDHB's contribution is 1,841 discharges in 2012/13. 2012/13 Result: 1,842 (100%) **Output Class: Intensive Assessment and Treatment**	
Shorter waits for cancer treatment 	All patients, ready for treatment, wait less than four weeks for radiotherapy or chemotherapy. 2012/13 Result: 100% **Output Class: Intensive Assessment and Treatment**	

Health Target	Description and 2012/13 Result	Trend
Increased immunisation 	85 percent of eight months olds will have their primary course of immunisation (six weeks, three months and five months immunisation events) on time by July 2013, 90 percent by July 2014 and 95 percent by December 2014. 2012/13 Result 92% **Output Class: Prevention Services**	
Better help for smokers to quit 	95 percent of patients who smoke and are seen by a health practitioner in public hospitals and 90 percent of patients who smoke and are seen by a health practitioner in primary care are offered brief advice and support to quit smoking. 2012/13 Result Hospital: 98% Primary Care: 96% **Output Class: Prevention Services**	**Hospital**  **Primary Care** 
Better diabetes and cardiovascular services 	75 percent of the eligible population will have had their cardiovascular risk assessed in the last five years. 2012/13 Result: 81% **Output Class: Early Detection and Management**	

PREVENTION SERVICES

Smoking cessation services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Health Target: Increased percentage of smokers seen in primary care are offered advice and support to quit	C	56%	90%	96%	Achieved
Health Target: Increased percentage of smokers seen in hospital are offered advice and support to quit	C	96%	95%	98%	Achieved

Commentary

Wairarapa DHB and Compass Health Wairarapa are currently leading the country in performance against the primary care smoke free target. The 90% target has been exceeded, with 96% of smokers seen in primary care receiving advice to quit. This demonstrates the work put in by Compass PHO, increasing advice rates by 40% over 2011/12. A significant amount of work has been done with local General Practices to reach this level including liaison to promote the target, training staff in the ABC & D of smoking cessation, and newspaper and radio advertising.

Wairarapa DHB has achieved the advice to quit target for hospitalised patients with 98% of smokers seen in hospital receiving advice to quit. We have not been able to provide the level of documented evidence to back up this reporting and this will be a focus for the year ahead.

Breastfeeding education and promotion services[1]

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Increased percentage of infants (Māori) are exclusively and fully breastfed at 6 weeks of age	C	55%	74%	66%	Not Achieved
Increased percentage of infants (all ethnicities) are exclusively and fully breastfed at 3 months of age	C	55%	57%	60%	Achieved

Commentary

Breastfeeding rate targets have been partially achieved. While the DHB did not achieve targets for all population and age groups, gains have been made. Breastfeeding has been shown to improve the health of the child, therefore improved breastfeeding rates are positive and will help improve health outcomes for the children who are breastfed.

Family violence intervention services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Improve the score for family violence intervention auditing	Q	184/200	170/200	192/200	Achieved

Commentary

Wairarapa DHB has improved the score on the family violence intervention audit by eight points and is well above the standard of 170/200.

[1] Long term trend data is not available due to changes in data provision from Plunket via the Ministry of Health.

Immunisation Services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Health Target: The percentage of children fully immunised at 8 months old	C	New measure in 2012/13	85%	92%	Achieved
Māori	C	New measure in 2012/13	85%	93%	
The percentage of two year olds fully immunised	C	94%	95%	93%	Not Achieved
Māori	C	92%	95%	95%	Achieved
Increased percentage of over 65 year olds are vaccinated against seasonal influenza	C	68%	69%	70%	Achieved

Commentary

Wairarapa DHB and Compass PHO have exceeded the Ministry of Health target of 85% of children fully immunised by 8 months by June 2013, and the target of 90% by June 2014. The immunisation rate for Maori is above that of the total population, showing there is equity in immunisation services. Wairarapa DHB also continues to perform well for immunisation at two years, with 93% of children fully immunised. Rates for Maori at two years also show equity in immunisation services; at 95% performance is better than for the total population.

EARLY DETECTION AND MANAGEMENT

Primary health care services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Consultation rates per enrolled population	C	4.6	4.8	4.7[2]	Not Achieved
Reduced Avoidable Hospital Admissions [3] Total aged 0-74	V	120	110	116	Not Achieved
Reduced Avoidable Hospital Admissions Māori aged 0-74	V	128	110	108	Achieved
Reduced number of non-admitted triage 4 and 5 ED self presentations	V	7,775	5,814	6,612	Not Achieved
Increased percentage of people with satisfactorily controlled diabetes	V	72%	78%	77%	Not Achieved
Maori	V	65%	78%	72%	
Health Target: Increased percentage of people checked for cardiovascular risk	C	66%	75%	81%	Achieved

Commentary

Reduced Avoidable Hospital Admissions - Target has been met for Maori 0-74, demonstrating a reduction in avoidable hospital admissions during the 2012/13 year. This is down from 128 in 2011/12, and shows gains in equity. While the target for the total population was not achieved, there has been a reduction seen from 120 in 2011/12.

Non-Admitted triage 4 and 5 – Although target was not achieved, there has been a reduction of 1,163 (15%) non-admitted triage 4 and 5 self-presentations. These are presentations to the emergency department which are potentially more suitable for primary care treatment. This is a significant reduction to have been achieved within a year and the DHB views this as a positive improvement, as people are seeking treatment in a more appropriate setting.

Diabetes control - There has been an improvement in the percentage of diabetes who have satisfactory control in 2012/13, however target was not achieved. Positively, the disparity between Maori and Total population has been reduced.

[2] Data year to March 2013.
[3] Data year to March 2013 from Ministry of Health.

Health Target: Cardiovascular risk assessments – Compass Health Wairarapa has made gains of 15%, exceeding the national target for the percentage of eligible populations having received a cardiovascular risk assessment in the last five years. This has been a focus of their work in 2012/13, and they are well placed for the increase in the target to 90% for 2013/14.

Cervical screening services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
The percentage of high needs women aged 20-69 screened in last 3 years	C	71%	≥ 75%	69%	Not Achieved

B4 School Checks

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
The percentage of four year olds having checks before they turn 5	C	99%	90%	81%	Not Achieved
High need	C	94%	90%	84%	

Commentary

While Wairarapa did not achieve the DHB target, the national target of 80% has been exceeded. The Ministry of Health is increasing the national target to 90% for 2013/14 and it is anticipated performance will improve in 2013/14.

Pharmacy Services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Number of people having OPTIMED reviews	Q	55	160	72	Not Achieved

Commentary

There were 24 OPTIMED clinics seeing a total of 72 patients during 2012/13. While this was less than anticipated, it is due to the time needed for wrap around assessment, planning and development of the Medication Management Plan, and discussing with the patient. All of the OPTIMED patients are complex; the average number of comorbidities is six and the average daily medications is greater than 10. If the Medication Management Plan is properly implemented, there are potential reductions in adverse drug events, hospital admissions, ongoing GP and Nurse practice interventions, other community nurse interventions, and community pharmacist time.

Oral health services

Commentary

The targets were partially achieved for enrolment of pre-schoolers with oral health services. This is due to on-going work with Well Child and primary care providers to ensure all children are enrolled as early as possible.

MEASURE[4]	KEY	2011 PERFORMANCE	2012/13 TARGET	2012 PERFORMANCE	ACHIEVEMENT
Children under five enrolled in DHB funded dental services	C/V	Maori: 671 Pacific: 61 Total: 2,213	Maori: 683 Pacific: 63 Total: 2,257	Maori: 629 Pacific: 41 Total: 2,386	Partially Achieved
Children examined at age five	C/V	Maori: 129 Pacific: 17 Total: 431	Maori: 135 Pacific: 20 Total: 505	Maori: 158 Pacific: 16 Total: 494	Partially Achieved
Children examined at Year 8	C/V	Maori: 113 Pacific: 15 Total: 411	Maori: 115 Pacific: 18 Total: 523	Maori: 97 Pacific: 12 Total: 388	Not Achieved
Utilisation of DHB funded dental services by adolescents	C/V	82%	85%	70%	Not Achieved
The percentage of caries free children at age 5	C	67%	65%	60%	Not Achieved
Mean decayed, missing or filled (DMFT) permanent teeth at Year 8	C	1.23	1.10	1.23	Not Achieved

The targets for children examined at five years were partially achieved, while the targets for children examined at year 8 were not achieved. This is due to the delay in construction of the Oral Health Hub, which opened in January 2013.

70% of Wairarapa adolescents received dental examinations in 2012. It is hoped that improvement on this result will be achieved in 2013/14 through working closely with the communities where access to dental services is more limited, along with working with practices to improve their annual recalls.

The target for children caries free at 5 years was not achieved. Improved rates of early enrolment will positively influence this measure for future years.

The target for missing and filled teeth at year 8 was not achieved. This was recognised as an aspirational target unlikely to be achieved in one year. Efforts to improve oral health among younger children are expected to be reflected in this age group over time.

With an increased focus on preventative programmes, we will be seeing at risk children six-monthly. Over the longer term, this should help improve caries free and DMFT rates

[4] Data and targets based on calendar year as the oral health service is linked to the school year rather than the financial year of the DHB.

INTENSIVE ASSESSMENT AND TREATMENT

Mental health services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Waiting times across drug and alcohol services will be monitored to ensure services are responsive to needs a. Specialist prescribing b. Structured counselling c. Residential rehabilitation	T/Q	a.b. No wait time c. 4-6 wks	a.b. No wait time c. 4 wks max	a.b. No wait time c. Less than a week	Achieved
Increased access rates across all mental health and addiction services	C	0-19 yrs: 4.4% 20-64 yrs: 4.4% 65+ yrs: 0.8%	0-19 yrs: 4.8% 20-64 yrs: 4.8% 65+ yrs: 2.0%	0-19 yrs: 4.8% 20-64 yrs: 4.8% 65+ yrs: 0.8%	Partially Achieved
The percentage of people with serious mental illness who have a relapse prevention plan in place	Q	96%	95%	93% Adult 100% Maori, Pacific & Child & Youth	Partially Achieved

Commentary

The mental health and addiction services access rate targets for Wairarapa DHB were achieved for the 0-19 and 20-64 populations. Target was not achieved for the 65+ population due to the Ministry exclusion of psychogeriatric patients from the access rates.

100% of Maori, Pacific, and Child and Youth service users have a relapse prevention plan in place, and 93% of adult service users. This allows an understood pathway for treatment should an acute mental health event occur.

Elective services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Health Target: Total number of elective surgical discharges provided	V	1,871	1,841	1,842	Achieved
The percentage of elective and arranged surgery is undertaken on a Day Case basis[5]	Q	58%	58%	59%	Achieved
The percentage of people receiving their elective and arranged surgery on the day of admission	Q	97%	95%	97%	Achieved
Average elective and arranged inpatient length of stay (in days) is maintained	Q	3.6	3.7	3.6	Achieved
The percentage of Outpatient "Did Not Attend" (DNA) rates are reduced	Q	8.6%	6.2%	7.3%	Not Achieved
The percentage of people requiring a First Specialist Assessment who wait longer than six months	T	0%	0%	0%	Achieved
The percentage of people given a commitment to elective surgery who wait longer than six months	T	0%	0%	0%	Achieved

Commentary

The Health Target for the number of elective surgical operations was again exceeded in the Wairarapa, with a total of 1,842 operations performed on Wairarapa patients.

Targets were achieved for day case rates and elective and arranged surgery on the day of admission, reflecting efficient use of hospital resources. The average elective and arranged inpatient length of stay was maintained. Patients continue to wait less than six months for first specialist assessment and for elective surgery once a commitment is given.

[5] The Ministry of Health revised the methodology for this measure and therefore revised DHB targets and previous year results.

Acute services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Number of ED attendances	V	18,875	≤18,000	16,678	Achieved
Number of acute hospital admissions	V	3,670	≤5,500	5,534	Not Achieved
Health Target: The percentage of patients discharged or transferred from ED within six hours	T	96%	95%	97%	Achieved
Rate of acute readmissions (readmitted within 28 days)	V/Q	9.32%	8.81%	10.27%	Not Achieved
Maximise theatre utilisation	C	77%	85%	77%	Not Achieved
Optimise ALOS for acute inpatients	C	3.8	3.81	3.4	Achieved
Minimise Blood Stream Infections (per quarter)	Q	4.75	>3.5	3	Achieved
Minimise inpatient falls (per annum)	Q	93	<100	102	Not Achieved
Minimise surgical site infections (per annum)	Q	3.8%	3.0%	1%	Achieved
Health Target: Patients wait no longer than 4 weeks for radiation or chemotherapy treatment	C	<4 weeks	<4 weeks	<4 weeks	Achieved

Commentary

The target number of ED attendances was achieved in 2012/13, with a 2,197 (12%) reduction from 2011/12. While this did not result in a decreased number of acute hospital admissions, it does mean that the Wairarapa population is choosing the right place to attend for their needed medical care.

Wairarapa continues to meet the 95% target for the percentage of patients discharged or transferred from ED within six hours, and is second nationally for this measure.

Wairarapa cancer patients receive timely treatment from Palmerston North and Wellington Cancer Centres, with no patients waiting longer than four weeks for radiation or chemotherapy treatment.

REHABILITATION AND SUPPORT

Home based support services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Total number of home based support service hours	V	91,992	97,572	91,497	Not Achieved
Timely needs assessment and service coordination from the time of routine (non urgent) referral to the time of service being authorised	T	98.6%	100% within 6 weeks	100%	Achieved
Proportion of people 85 and over who are assessed as having high/very high support needs	Q	35%	19%	40%	Not Achieved
All home based support providers comply with the Home and Community Support Standard	Q	100%	100%	100%	Achieved

Commentary

The target for total number of home based support service hours was based on forecast volumes. It is positive that more people are able to remain independent in their homes than has been the trend over the past few years.

Response times for needs assessment and service coordination depend on number and complexity of referrals, however as at 30 June 2013 100% of patients had been seen within six weeks.

The target for people over 85 years was set as part of the Tihei Wairarapa plan, but at the time of target setting a baseline was not available. This cohort and the level of support needs will continue to be monitored.

Residential care services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
The percentage of aged residential care facilities with 3 year certification (excluding new providers and new facilities)	Q	93%	100%	100%	Achieved
Total number of subsidised aged residential care bed days	V	122,351	123,428	119,566	Not Achieved

Commentary

The target for total number of subsidised aged residential care bed days was based on forecast volumes. It is positive that more people are able to remain independent in their homes than has been the trend over the past few years.

All residential care facilities currently have certification for three or more years.

Respite care services

MEASURE	KEY	2011/12 PERFORMANCE	2012/13 TARGET	2012/13 PERFORMANCE	ACHIEVEMENT
Total number of respite care bed days	V	3,872	1,722	2,455	Achieved
The percentage of people who access the transitional Health Recovery Programme who return home	Q	86%	85%	73%	Not Achieved

Commentary

During 2012/13, the clients participating in the Health Recovery Programme have been more complex in terms of their health and support needs than in previous years. This phenomenon has also been evidenced through an increase in the number of individuals who have needed extensions of time for their programme.

IMPACTS AND OUTCOMES

Long-term outcomes are progressed not just through our work alone, but through the combined effects of all working across the health system and wider health and social services. Evidence about the state of our population's health and the environment in which they live helps us monitor progress towards our intended outcomes. As such, we identified performance indicators related to each outcome in our Statement of Intent 2012-2015, and report against these below. Given the long-term nature of these outcomes, the aim is to make a measurable change over time rather than achieve a specific target. The information provided is the latest available at the time of publication; where possible this pertains to the 2012/13 year with a trend view.

Due to increasing collaboration across Wairarapa, Hutt Valley and Capital & Coast DHBs in 2012/13, the high level impact measures have been aligned across the three DHBs. The strategic visions of the three DHBs were similar for 2012/13, and have been combined into a single set of joint operating priorities in 2013/14. As the 2012/13 strategic visions were similar, many of the outcomes and impacts align. The original wording as in the 2012/13 Statement of Intent has been used for the outcome measures.

POPULATION HEALTH OUTCOME: MĀORI ENJOY THE SAME HEALTH GAINS AS NON-MĀORI

What difference have we made for our population?

Reducing disparities in our district is a focus for Wairarapa DHB. In 2012/13 an Equity Report was developed for the three DHBs. This report uses measures where results are available quarterly, and the headline indicators are preschool oral health enrolment, cardiovascular risk assessments, and the rate of outpatient "did not attend" (DNA) appointments. It is anticipated that through improved monitoring of disparities, the DHBs will be able to more effectively plan activities and reduce the disparities which exist.

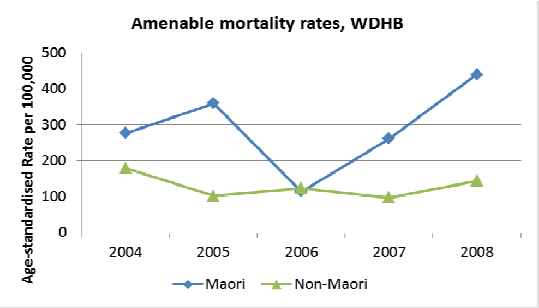
Performance for amenable mortality has been variable for Māori in the Wairarapa between 2004 and 2008; this is likely a result of small numbers as the number of deaths ranges from 5 to 17, whereas for Non-Māori these range from 38 to 71 with less variation in the rate. The rate of acute admissions for Māori has been relatively static over the trend period. As these are reflective of long term social determinants of health, lifestyle choices, and access to healthcare services, these show the performance of the health system in Wairarapa DHB over many years. Similarly, ambulatory sensitive hospitalisations (ASH) are admissions to hospital for conditions that may be prevented or treated by appropriate interventions in a primary or community setting. It is a shorter term measure than amenable mortality. There have been improvements in ASH rates for Wairarapa DHB since 2008/09, however rates remain above the national average. Work will continue to be undertaken in 2013/14 to improve these rates.

Measures – The DHB measures progress through:

A reduction in amenable mortality rates for Māori

- Amendable (avoidable) mortality captures risks of dying from conditions (diseases and injuries) that are either preventable or treatable. Avoidable mortality includes deaths occurring under age 75 years that could potentially have been avoided through population-based interventions, or through preventive and curative interventions at an individual level.
- Māori in the Wairarapa experience avoidable mortality rates that are approximately three times the rate for non-Māori (2008 year).

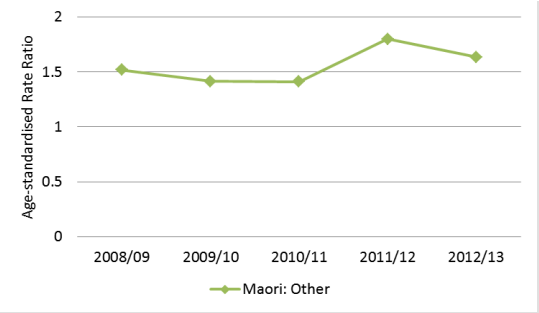
This measure links to the Early Detection & Management and Intensive Assessment & Treatment output classes.



A reduction in acute admissions for Māori

- Māori are about one-and-a-half times more likely to be admitted acutely to hospital than non-Māori in the Wairarapa.

This measure links to the Prevention Services and Early Detection & Management output classes.

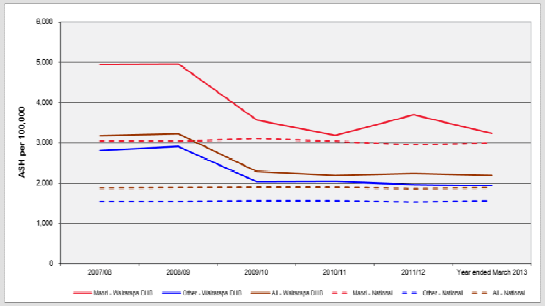


Source: National Minimum Dataset

A reduction in the ambulatory sensitive hospitalisation (ASH) rates (0-74)

- There are a number of admissions to hospital which are seen as preventable through appropriate early intervention and a reduction of risk factors. As such, these admissions provide an indication of the access and effectiveness of screening, early intervention, and the continuum of care across the system.
- The rate of ambulatory sensitive hospitalisations is declining in the Wairarapa. However, it still represents a substantial and avoidable burden on the health system and highlights opportunities to better support people to seek intervention early and manage their long-term conditions. A reduction in these admissions will reflect better management and treatment across the whole system.

This measure links to the Prevention Services and Early Detection & Management output classes.



Source: Ministry of Health, 2013

POPULATION HEALTH OUTCOME: PEOPLE IN THE WAIRARAPA LIVE LONGER AND HEALTHIER

What difference have we made for our population?

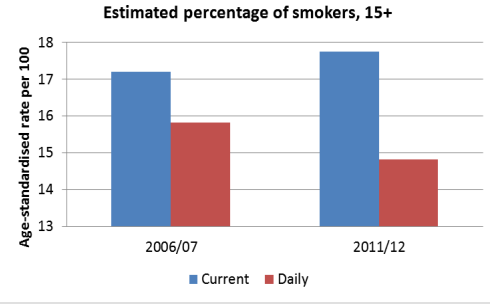
We are pleased to see a continued increase in the proportion of year 10 students who report never smoking in the annual Action on Smoking and Health Survey. While we were disappointed to see a rise in the estimated percentage of current smokers 15+ in the area covered by Regional Public Health, it is positive that there has been a decline in those who smoke daily. There has been an increase in the percentage of the population consuming 2+ fruit and 3+ vegetable servings daily, showing an improvement in healthy eating. However, there has been an increase in the estimated prevalence of obesity. Wairarapa DHB and its partners such as Regional Public Health and primary care continue to advocate for healthy lifestyles, which will see long term gains for our population.

Measures - The DHB measures progress through:

A reduction in smoking rates for the population

- Most smokers want to quit, and there are simple, effective interventions that can be routinely provided in both primary and secondary care.
- While the estimated prevalence of current smokers has increased, the rate of daily smokers has decreased. This is positive as it means those who smoke are smoking less frequently. It is anticipated over time, with reduced uptake of smoking as teenagers, that overall smoking rates will decrease.

This measure links to the Prevention Services output class.

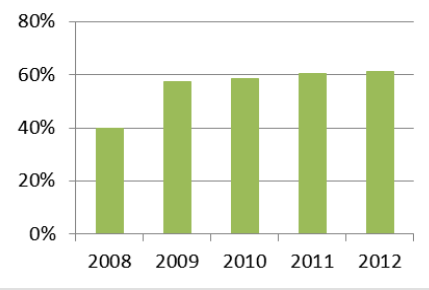


Source: NZ Health Survey, results for the area covered by Regional Public Health, which covers Wairarapa, Hutt Valley and Capital & Coast DHBs

A reduction in the proportion of young people who take up tobacco smoking

- Reducing smoking prevalence is dependent on smoking cessation and on preventing young people from taking up smoking. Over 95% of smokers have started smoking by 18 years of age.
- A reduction in the uptake of smoking is a good proxy measure of successful engagement and a change in the social and environmental factors that influence risk behaviour.

This measure links to the Prevention Services output class.

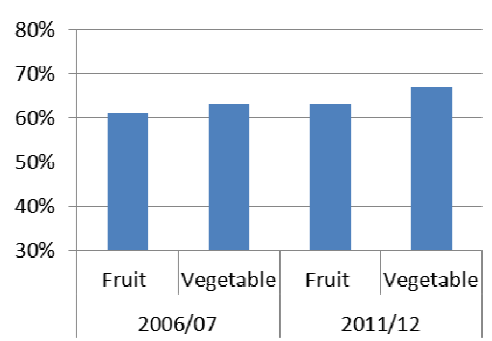


Source: ASH Yr 10 Survey

An increase in the percentage of adults consuming 2+ fruit and 3+ vegetable servings daily

- Good nutrition is fundamental to health and the prevention of disease and disability. Appropriate fruit and vegetable consumption helps to protect people against obesity, CVD, diabetes and some common cancers and contributes to maintaining and healthy body weight.
- Nutrition-related risk factors (such as high cholesterol, high blood pressure, obesity and inadequate fruit and vegetable intake) jointly contribute to two out of every five deaths each year.

This measure links to the Prevention Services output class.

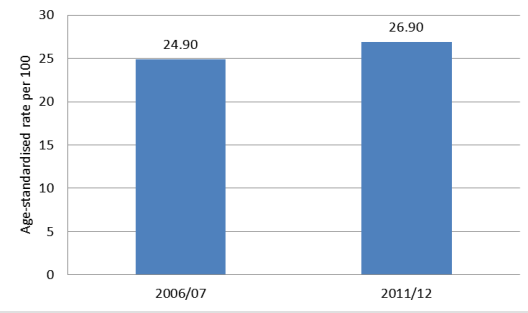


Source: NZ Health Survey, results for the area covered by Regional Public Health, which covers Wairarapa, Hutt Valley and Capital & Coast DHBs

A reduction in obesity prevalence amongst the 15+ population

- Obesity prevalence estimates are obtained from the New Zealand Health Survey, and reflect results for the area covered by Regional Public Health, which covers Wairarapa, Hutt Valley and Capital & Coast DHBs.
- Obesity rates are increasing across New Zealand. With effective preventative measures, including people being more active and eating more healthily, obesity rates can be reduced. Reducing obesity rates will reduce the incidence of related preventable diseases, including diabetes and cardiovascular disease.

This measure links to the Prevention Services and Early Detection & Management output classes.



Source: NZ Health Survey, results for the area covered by Regional Public Health, which covers Wairarapa, Hutt Valley and Capital & Coast DHBs

POPULATION HEALTH OUTCOME: CHILDREN IN THE WAIRARAPA ARE SAFE AND HEALTHY

What difference have we made for our population?

Many lifelong habits are established in childhood, and health promotion for children and their parents influences long term outcomes. By keeping children healthy, the DHB aims to ensure not only a healthy start but also a healthy life. Oral health results for children are recognised as an indicator of lifelong health. Wairarapa DHB has a rate of children caries free at five years higher than the national average, and the average number of decayed, missing or filled teeth at Year 8 is decreasing. However, disparities are evident at these ages. Improved preschool enrolment in and early engagement with the dental service will help all families to have good oral health.

ASH rates for Wairarapa children 0-4 have declined since 2007/08, although they remain above national rates. Activities to reduce admissions will continue in 2013/14 and the DHB looks to maintain the reduction in avoidable admissions for children.

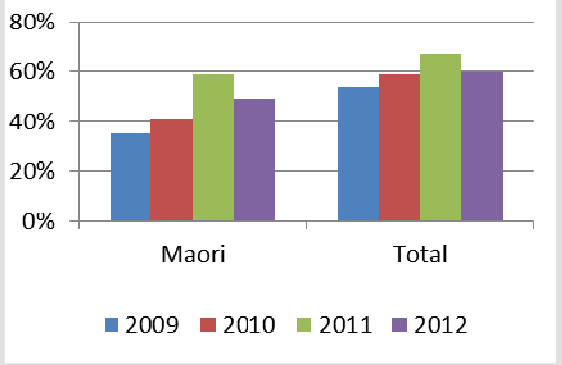
While rheumatic fever is a concern in Hutt Valley and Capital & Coast DHBs, Wairarapa does not have the same rates. In the Wairarapa, a significant issue for our children are high rates of hospital admissions as a result of injury. Wairarapa DHB continues to undertake activities through our Violence Intervention Programme to protect children in the Wairarapa.

Measures – The DHB measures progress through:

Increased proportion of children caries free at five years

- Regular dental care has life-long benefits for improved health. While water fluoridation can significantly reduce tooth decay across all population groups, prevention and education initiatives are essential to good oral health.
- Oral health outcomes are a good proxy measure of early contact with effective health promotion and prevention services. It also serves as an indicator of risk factors, such as poor diet, and therefore can provide other benefits in terms of improved nutrition and healthier body weights
- While there has been a slight decline in 2012, the overall trend remains positive and the rate of children caries free at five years is above the national (59%).

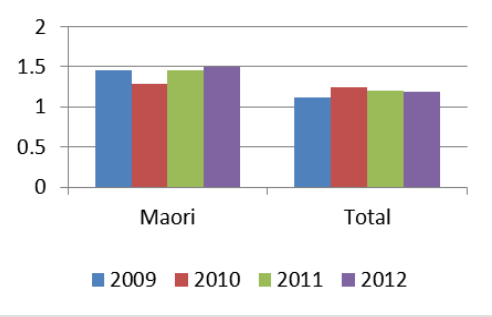
This measure links to the Early Detection & Management output class.



Decrease in the mean number of decayed, missing or filled teeth (DMFT) at Year 8

- Māori children are more likely to have decayed, missing or filled teeth, and improved oral health is a good proxy measure of equity of access to services and the effectiveness of mainstream services in targeting those most in need.

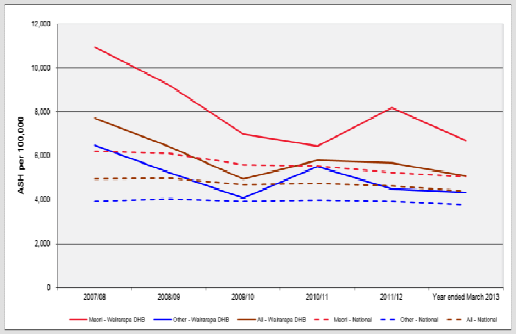
This measure links to the Early Detection & Management output class.



A reduction in ambulatory sensitive hospitalisations of children (0-4)

- Ambulatory sensitive hospital admissions are usually unplanned admissions that are potentially preventable by appropriate health services delivered in community settings, including through primary health care. 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 sectors.
- There has been a decrease in the rates of ambulatory sensitive hospitalisations for children 0-4 in the Wairarapa. This is a positive result of improved integration between primary and secondary care and the Free Under 6s policy.

This measure links to the Prevention Services and Early Detection & Management output classes.

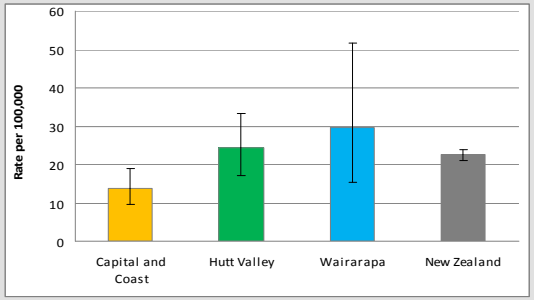


Source: Ministry of Health, 2013

Reduced admissions for children as a result of an injury (0-14)

- Wairarapa has high rates of injuries from assault, maltreatment, and neglect compared to New Zealand and other local DHBs. Because of small numbers, the rates are for the combined years 2002-2011.
- Intersectoral work and the DHB's violence intervention programme will contribute to a reduction in these rates.
- This is a measure for which results will be seen over many years when comparing Wairarapa to other DHBs and the national rate.

This measure links to the Prevention Services output class.



POPULATION HEALTH OUTCOME: MINIMISE THE IMPACT OF CHRONIC DISEASE

What difference have we made for our population?

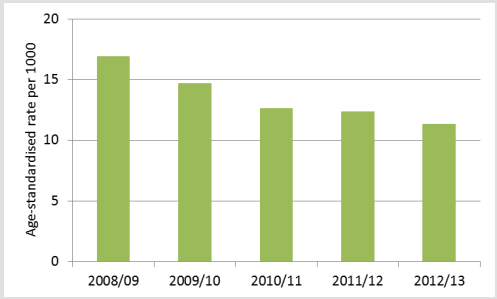
There is an increasing burden of long term conditions, seen in the continued increase in diagnosis of cardiovascular disease and diabetes. By better managing the health of people with long term conditions, the DHB can help them lead longer, healthier lives and prevent unneeded hospital admissions. Improved screening for and detection of cardiovascular disease and diabetes helps management occur earlier, reducing the likelihood of complications. Since 2008/09 there has been a reduction in the rate of hospital admissions for cardiovascular disease, as well as in the rate of diabetes hospitalisations. Another measure of the management of long term conditions is the percentage of diabetics with satisfactory blood glucose control. In Wairarapa DHB, rates for Other and Total populations remain high, while there have been improvements in the rate for Māori.

Measures – The DHB measures progress through:

A reduction in the cardiovascular disease (CVD) hospitalisation rate

- Cardiovascular disease (CVD) includes heart attacks and strokes - which are both substantially preventable with lifestyle advice and treatment for those at moderate or higher risk.

This measure links to the Prevention Services and Early Detection & Management output classes.

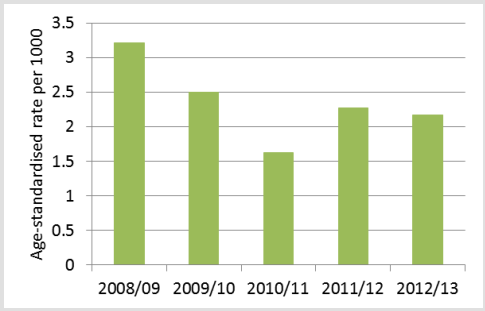


Source: National Minimum Dataset

A reduction in diabetes hospitalisation rate

- Diabetes is defined by the body's inability to control blood glucose. Diabetes is a chronic condition, which can cause kidney failure, eye disease, foot ulceration and a higher risk of heart disease if not well managed.
- Supporting people to manage their diabetes well will reduce acute admissions to hospital.

This measure links to the Prevention Services and Early Detection & Management output classes.

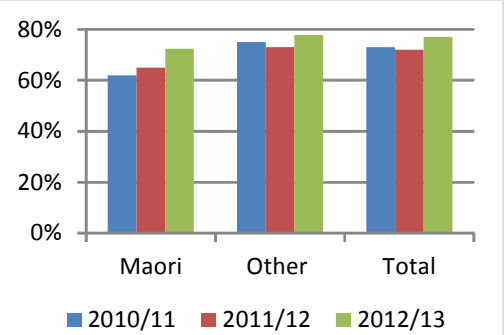


Source: National Minimum Dataset

Increased proportion of diabetics checked with satisfactory or better blood glucose control (HbA1c less than or equal to 64 mmol/mol)

- Diabetes is a significant cause of ill health and premature death, and prevalence is increasing at an estimated 4-5% a year. Improving the management of diabetes will reduce long-term avoidable complications which require hospital-level intervention, such as lower limb amputation, kidney failure and blindness, and will improve people's quality of life.
- The target for 2012/13 aspired to achieve equity in outcomes, with the target for Māori and Total populations at 78%. While equity was not achieved, there has been an improvement of 7% for Māori compared to 2011/12.

This measure links to the Prevention Services and Early Detection & Management output classes.



POPULATION HEALTH OUTCOME: PEOPLE IN THE WAIRARAPA ARE MORE ABLE TO LIVE INDEPENDENTLY

What difference have we made for our population?

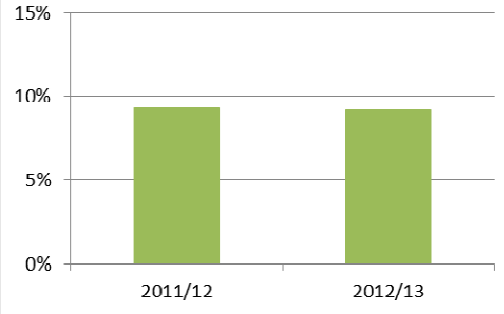
When people are supported to remain in their own homes, they live healthier, more independent lives. The DHB provides home-based support services to those who require them, so that people are able to remain in their own home. In 2012/13 the proportion of older people 65+ supported to live at home has been maintained. There has been a decreasing rate of unplanned acute admissions for people 65+ since 2008/09. Wairarapa DHB looks to continue to support older people to live longer, healthier, more independent lives.

Measures - The DHB measures progress through:

An increase in the proportion of older people 65+ years supported to live at home

- When people receive the adequate support for their needs to be managed, remaining in their own homes is considered to provide a much higher quality of life, as a result of staying active and positively connected to their communities.

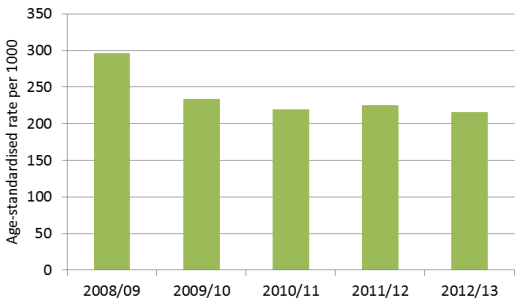
This measure links to the Rehabilitation & Support output class.



A reduction in the unplanned acute admission rate for people aged 65+ years

- By supporting older people to remain at home and maintaining functional level for longer, the DHB seeks to reduce the unplanned acute admission rate for people aged over 65 years.
- While the rate has an increasing trend, there has been a reduction in 2012/13. This is a positive result of the efforts being made to keep people healthier longer.

This measure links to the Early Detection & Management and Rehabilitation & Support output classes.



POPULATION HEALTH OUTCOME: HEALTH SERVICES ARE CLINICALLY AND FINANCIALLY SUSTAINABLE

What difference have we made for our population?

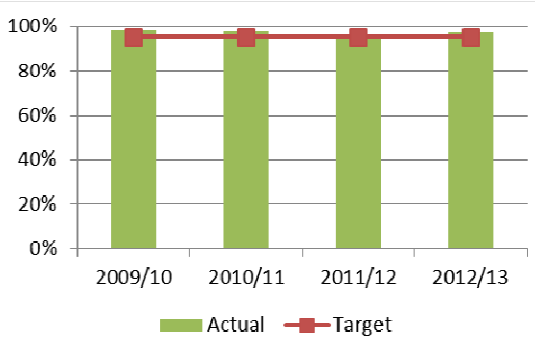
Patient-focused, clinically driven pathways of care provide flexibility for early intervention and planned readmission where clinically appropriate, and support improvements in care across the whole continuum. Wairarapa DHB continues to achieve the Shorter Stays in Emergency Departments Health Target of 95%. Patient care and integration with primary care continue to be prioritised, with improvements in the rate of acute hospital readmissions within 28 days. Patients who require elective services are receiving them appropriately, with Wairarapa DHB's performance of 337 per 10,000 close to the national target of 333 per 10,000. These measures indicate that patients accessing Wairarapa DHB services are receiving integrated, sustainable, quality services.

Measures - The DHB measures progress through:

Shorter stays in Emergency Department (ED)

- Timely access to treatment improves health outcomes and is indicative of increased capacity and improvements in the flow of patients through DHB services. It also demonstrates a commitment to addressing the needs of Wairarapa DHB patients and valuing their time.
- Timely acute care in ED is also a proxy measure for how well the whole system is working together to support people to stay well and to provide timely and appropriate complex care through management of acute demand in the community, improved capacity in ED and supported discharge into services in the community.

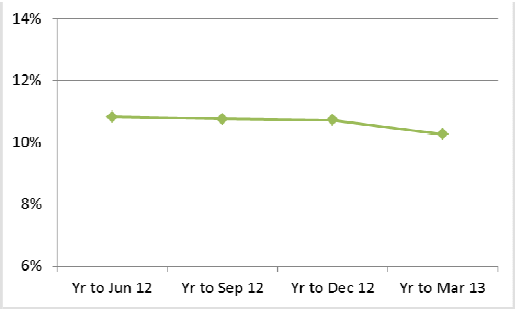
This measure links to the Intensive Assessment & Treatment output class.



A reduction in the unplanned acute admission rate for people aged 65+ years

- Hospital unplanned acute readmission rates are a well-established measure of quality of care, efficiency, and appropriateness of discharge for hospital patients, particularly as a countermeasure to average length of stay.

This measure links to the Intensive Assessment & Treatment output class.

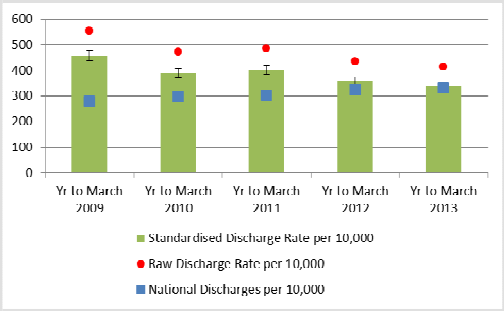


Source: Ministry of Health

Maintain standardised intervention rates (SIRs) at or above national level for elective services

- One of the areas of focus for elective services is the level of service being provided to the Wairarapa population (as measured by Standardised Intervention Rates), and the level of service being provided for identified key conditions, including cardiac procedures, major joint replacement and cataract procedures.
- As standardised intervention rates (SIRs) for the Wairarapa have been historically high, by more closely aligning to the national average the DHB is ensuring the sustainability of services into the future.

This measure links to the Intensive Assessment & Treatment output class.



Source: Ministry of Health

The performance story provided is a comprehensive view, and allows for a robust assessment of Wairarapa DHB's impact and outcome performance. As the impact measures have been aligned across the three DHBs, the following impacts originally listed in the Statement of Forecast Service Performance are not specifically reported here, although some have been reported through the measures in this section:

- People in the Wairarapa have confidence in their access to services to meet their health and disability needs
- People are more physically active
- Minimised harm from alcohol and/or drug use
- Fewer people develop a chronic disease
- Primary health care is better, sooner, and more convenient
- People regard general practice as their medical home
- Tihei Wairarapa achieves one virtual integrated family health model
- Provider and consumers take steps to improve the use of pharmaceuticals
- People have access to high quality hospital services
- Māori can easily access health and disability services
- More Māori access population health screening and early intervention programmes
- Improved integration of primary and secondary care
- Hospital specialists work with primary care and community services to better manage patients with acute, complex or long term conditions
- Patients and whānau are satisfied with health services
- Services have strong clinical leadership
- Within the hospital, tasks are allocated to maximise use of skilled workforce
- The hospital improves its capacity planning
- Wairarapa DHB works with other DHBs to ensure improved efficiency and sustainability of vulnerable services
- Cross DHB boundary clinical networks and service delivery models make optimal use of staff and capital assets

The following measures were listed as both outputs and impacts in the Statement of Forecast Service Performance, and are therefore reported in the Statement of Service Performance in the section previous:

- People have up to date crisis prevention plans
- Improved access to mental health services

FINANCIAL STATEMENTS

CONTENTS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	Group Budget 2013 $000	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Income						
Operating income	1	130,348	132,583	129,156	131,337	128,022
Finance income	2	72	606	128	765	128
Total income		**130,420**	**133,189**	**129,284**	**132,102**	**128,150**
Expenditure						
Workforce costs	3	39,060	39,807	38,286	39,807	38,286
Other operating expenses	4a	19,734	21,689	20,384	20,618	19,425
External providers	4b	45,320	45,496	44,627	45,496	44,627
Inter district flows	4b	25,604	25,799	26,696	25,799	26,696
Total operating expenditure		**129,718**	**132,791**	**129,993**	**131,720**	**129,034**
Operating result before interest, depreciation & capital charge		**702**	**398**	**(709)**	**382**	**(884)**
Interest, Depreciation & Capital Charge						
Interest expense	5	1,525	1,334	1,619	1,334	1,619
Capital charge	5	600	685	669	685	669
Depreciation & amortisation expense	7,8	1,677	1,777	1,762	1,699	1,682
Net loss / (gain) on disposal of assets		0	0	0	0	0
Total interest, depreciation & capital charge		**3,802**	**3,796**	**4,050**	**3,718**	**3,970**
Net surplus/(deficit) from continuing operations		**(3,100)**	**(3,398)**	**(4,759)**	**(3,336)**	**(4,854)**

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	Group Budget 2013 $000	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Net surplus/(deficit) from continuing operations		(3,100)	(3,398)	(4,759)	(3,336)	(4,854)
Net surplus/(deficit) from discontinued operations						
Ambulance services	23	0	0	(672)	0	(672)
Impairment on property valuation	7b	0	0	(1,313)	0	(1,313)
Net surplus/(deficit) from discontinued operations		**0**	**0**	**(1,985)**	**0**	**(1,985)**
Net surplus/(deficit) for the year		(3,100)	(3,398)	(6,744)	(3,336)	(6,839)
Other comprehensive income						
Gain / (loss) on property revaluations	7a	0	3,403	0	3,403	0
Total other comprehensive income		**0**	**3,403**	**0**	**3,403**	**0**
Total comprehensive income		(3,100)	**5**	(6,744)	**67**	(6,839)
Total comprehensive income attributable to:						
Wairarapa District Health Board		(3,100)	**5**	(6,744)	**67**	(6,839)
Non-controlling interest		0	0	0	0	0

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	Group Budget 2013 $000	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Assets						
Property, plant & equipment	7a	41,251	43,402	40,452	43,251	40,291
Intangible assets	8	1,440	1,463	1,382	1,446	1,365
Investments	9	2,959	2,924	549	3,027	652
Total non-current assets		**45,650**	**47,789**	**42,383**	**47,724**	**42,308**
Cash & cash equivalents	10	2,006	300	2,300	4	2,004
Inventories	11	725	763	767	763	767
Trade & other receivables	12	5,110	4,247	4,646	4,076	4,516
Assets classified as held for sale	7b	0	0	1,125	0	1,125
Total current assets		**7,841**	**5,310**	**8,838**	**4,843**	**8,412**
Total assets		**53,491**	**53,099**	**51,221**	**52,567**	**50,720**

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	Group Budget 2013 $000	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Equity						
Crown equity	13	37,301	39,043	34,247	39,043	34,247
Revaluation reserve	13	2,155	5,558	2,155	5,558	2,155
Retained earnings	13	(30,671)	(33,408)	(29,979)	(33,747)	(30,380)
Total equity		**8,785**	**11,193**	**6,423**	**10,854**	**6,022**
Liabilities						
Interest-bearing loans & borrowings	14	26,350	21,758	20,362	21,758	20,362
Employee benefits	15	620	551	697	551	697
Trust funds	16	210	259	247	259	247
Total non-current liabilities		**27,180**	**22,568**	**21,306**	**22,568**	**21,306**
Cash & cash equivalents - Overdraft	10	0	1,169	3,420	1,169	3,420
Interest-bearing loans & borrowings	14	237	4,560	6,127	4,560	6,127
Payables & accruals	17	11,218	8,177	8,190	8,080	8,169
Employee benefits	15	6,071	5,432	5,755	5,336	5,676
Total current liabilities		**17,526**	**19,338**	**23,492**	**19,145**	**23,392**
Total liabilities		**44,706**	**41,906**	**44,798**	**41,713**	**44,698**
Total equity & liabilities		**53,491**	**53,099**	**51,221**	**52,567**	**50,720**

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Note	Group Budget 2013	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Balance at 1 July		**8,788**	**6,423**	**8,349**	**6,022**	**8,043**
Prior year equity closing balance correction		0	(31)	0	(31)	0
Net surplus / (deficit) for the year		(3,100)	(3,398)	(6,744)	(3,336)	(6,839)
Other comprehensive income		0	3,403	0	3,403	0
Total comprehensive income		**(3,100)**	(26)	**(6,744)**	**36**	**(6,839)**
Equity injection from the Crown		3,100	4,799	4,821	4,799	4,821
Repayment of equity to the Crown		(3)	(3)	(3)	(3)	(3)
Movements in equity for the year		**3,097**	**4,796**	**4,818**	**4,796**	**4,818**
Balance at 30 June	13	**8,785**	**11,193**	**6,423**	**10,854**	**6,022**
Total comprehensive income attributable to:						
Wairarapa District Health Board		(3,100)	5	(6,744)	67	(6,839)
Non-controlling interest		0	0	0	0	0
Total comprehensive income		**(3,100)**	**5**	**(6,744)**	**67**	**(6,839)**

An adjustment was made in the current financial year to correct a $31,000 2012 closing equity balance error.

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	Group Budget 2013 $000	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Cash flows from operating activities						
Operating receipts:						
Government & crown agency revenue		125,386	122,871	119,127	122,871	119,127
Other		5,033	8,662	10,883	8,662	9,793
Interest received		72	76	119	76	116
Payments to suppliers & employees		(127,658)	(132,380)	(131,665)	(132,380)	(130,688)
Capital charge paid		(600)	(373)	(669)	(373)	(669)
Interest paid		(1,525)	(1,333)	(1,619)	(1,333)	(1,619)
Income tax paid		0	0	0	0	0
Goods and Services Tax (net)		0	(24)	(28)	(24)	(24)
Net cash flows from operating activities	10	**708**	**(2,501)**	**(3,852)**	**(2,501)**	**(3,964)**
Cash flows from investing activities						
Proceeds from sale of property, plant & equipment		0	1,674	348	1,674	348
Dividends received		0	160	0	160	5
Investment in joint venture		(2,640)	(2,371)	(294)	(2,371)	(294)
Acquisition of property, plant & equipment		(540)	(1,101)	(1,143)	(1,101)	(992)
Acquisition of intangible assets		(500)	(244)	(211)	(244)	(209)
Net cash flows from investing activities		**(3,680)**	**(1,882)**	**(1,300)**	**(1,882)**	**(1,142)**

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	Group Budget 2013 $000	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Cash flows from financing activities						
Loans drawn down		0	0	1,063	0	1,063
Equity injected		3,100	4,797	4,815	4,797	4,815
Repayments of loans		(125)	(163)	(135)	(163)	(135)
Repayment of equity		(3)	(3)	(3)	(3)	(3)
Restricted fund movement		0	3	12	3	12
Net cash flows from financing activities		**2,972**	**4,634**	**5,752**	**4,634**	**5,752**
Net increase / (decrease) in cash held		**0**	**251**	**600**	**251**	**646**
Cash & cash equivalents at beginning of year		2,006	(1,120)	(1,720)	(1,416)	(2,062)
Cash & cash equivalents at end of year	10	**2,006**	**(869)**	**(1,120)**	**(1,165)**	**(1,416)**

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

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF CONTINGENCIES

As at 30 June 2013

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Legal proceedings and obligations	0	0	0	0
Uncalled shares in Central Region Technical Advisory Services Ltd	0	0	0	0
Total contingent liabilities	**0**	**0**	**0**	**0**
Total contingent assets	**0**	**0**	**0**	**0**

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF COMMITMENTS

As at 30 June 2013

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Capital Commitments	**94**	**603**	**94**	**603**
Operating Lease Commitments:				
Less than One Year:	640	760	640	760
One to Two Years	229	428	229	428
Two to Five Years	146	215	146	215
Five Years	0	0	0	0
	1,015	**1,403**	**1,015**	**1,403**
Total Commitments	**1,109**	**2,006**	**1,109**	**2,006**

The accompanying notes form part of these financial statements
Explanations of major variances against budget are provided in note 22

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

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

The consolidated financial statements of Wairarapa DHB for the year ended 30 June 2013 comprise Wairarapa DHB and its subsidiary Biomedical Services New Zealand Limited (together referred to as "WDHB") and joint venture the Central Region Technical Advisory Service Limited (TAS) which is one sixth owned. The financial statements were authorised for issue by the Audit and Risk Committee on 29 November 2013.

Wairarapa DHB's primary objective is to deliver health, disability, and mental health services to the community within its district.

STATEMENT OF COMPLIANCE

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

BASIS OF PREPARATION

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the DHB and its subsidiaries and joint venture is New Zealand dollars.

Measurement base

The financial statements have been prepared on the historical cost basis except where modified by the revaluation of land, buildings, and forward exchange contracts at fair value. The following assets and liabilities are stated at their fair value: derivative financial instruments (foreign exchange and interest rate swap contracts), financial instruments classified as available-for-sale, land and buildings and investment property.

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

The preparation of financial statements in conformity with NZIFRSs 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.

Going Concern

Reliance is placed on the fact that WDHB is a going concern and will continue to receive revenue from the Ministry of Health and other sources sufficient to maintain its services beyond the year ended 30 June 2013.

Changes in accounting policies

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

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the WDHB, are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, WDHB is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means WDHB expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, WDHB is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been

made about new or amended NZ IFRS that exclude public benefit entities from their scope.

BASIS FOR CONSOLIDATION

Subsidiaries

Subsidiaries are entities controlled by WDHB. Control exists when WDHB has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint ventures

Joint ventures are those entities over whose activities WDHB has joint control, established by contractual agreement. The consolidated financial statements include WDHB's interest in joint ventures, using the equity method, from the date that joint control commences until the date that joint control ceases.

Transactions eliminated on consolidation

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

BUDGET FIGURES

The budget figures are those approved by the DHB in its Annual Plan and included in the Statement of Intent tabled in Parliament.

The budget figures have been prepared in accordance with NZGAAP. They comply with NZIFRS and other applicable Financial Reporting Standards as appropriate for public benefit entities. Those standards are consistent with the accounting policies adopted by WDHB for the preparation of these financial statements.

GOODS AND SERVICES TAX

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

Commitments and Contingencies

Commitments and Contingencies are disclosed exclusive of GST.

REVENUE

Revenue is measured at the fair value of consideration received or receivable.

Crown funding

The vast majority of revenue is provided through an appropriation in association with a Crown Funding Agreement. Revenue received is restricted in its use for the purpose of the DHB meeting its objectives. Revenue is recognised monthly in accordance with the Crown Funding Agreement payment schedule, which allocates the appropriation equally throughout the year.

ACC contracted revenue

ACC contract revenue is recognised as revenue when eligible services are provided and any contract conditions have been fulfilled.

Revenue for other DHBs

Inter district patient inflow revenue occurs when a patient treated within the WDHB region is domiciled outside of Wairarapa. The MoH credits WDHB with a monthly amount based on estimated patient treatment for non-Wairarapa residents within Wairarapa. An annual wash up occurs at year end to reflect the actual non-Wairarapa patients treated at Wairarapa DHB.

Interest Income

Interest income is recognised using the effective interest method.

Revenue relating to service contracts

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

Goods sold and services rendered

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

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

Rental income

Rental income from investment property is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the lease term.

EXPENSES

Capital Charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

Interest expense

The DHB has elected to defer the adoption of the revised NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with the transitional provisions of NZ IAS 23 that are applicable to public benefit entities. Therefore, all borrowing costs are recognised as an expense in the financial year in which they are incurred.

Operating lease payments

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments made under operating leases are recognised in the statement of comprehensive income in the periods in which they are incurred. Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

Finance lease payments

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of the asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the DHB will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Minimum lease payments are 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.

Net financing costs

Net financing costs comprise interest paid and payable on borrowings calculated using the effective interest rate method, interest received and receivable on funds invested calculated using the effective interest rate method, dividend income and gains and losses on hedging instruments that are recognised in the statement of comprehensive income.

The interest expense component of finance lease payments is recognised in the statement of comprehensive income using the effective interest rate method.

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the classification of assets as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable NZIFRSs. Then, on initial classification as held for sale, a non-current asset and/or a disposal group is recognised at the lower of its carrying amount and its fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in the statement of comprehensive income, even when the asset was previously revalued. The same applies to gains and losses on subsequent re-measurement.

Non-current assets held for sale (including those that are part of the disposal group) are not depreciated or amortised while they are classified as held for sale.

Business combinations involving entities under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. WDHB applies the book value measurement method to all common control transactions.

INCOME TAX

WDHB is a crown entity under the New Zealand Public Health and Disability Act 2000, section 169 of the Crown Entities Act 2004 and is exempt from income tax under section CW38 of the Income Tax Act 2007.

FOREIGN CURRENCY

Foreign currency transactions

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

PROPERTY, PLANT AND EQUIPMENT

Classes of property, plant and equipment

The major classes of property, plant and equipment are as follows:

- land
- buildings
- clinical equipment
- information technology
- motor vehicles
- other plant and equipment
- work in progress

Owned assets

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

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

Revaluation movements are accounted for on a class-of-asset basis.

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the DHB and the cost of the item can be measured reliably. Additions to property, plant and equipment between valuations are recorded at cost.

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

Property, Plant and Equipment Vested from the Hospital and Health Service

Under section 95(3) of the New Zealand Public Health and Disability Act 2000, the assets of Wairarapa Health Limited (a hospital and health service company) vested in WDHB on 1 January 2001. Accordingly, assets were transferred to WDHB at their net book values as recorded in the books of the hospital and health service. In effecting this transfer, the health board has recognised the cost (or in the case of land and buildings – the valuation) and accumulated depreciation amounts from the records of the hospital and health service. The vested assets will continue to be depreciated over their remaining useful lives.

Disposal of Property, Plant and Equipment

Where an item of plant and equipment is disposed of, the gain or loss recognised in the statement of comprehensive income is calculated as the difference between the net sales 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 accumulated surpluses.

Properties Intended for Sale

Properties intended for sale are valued at the lower of cost or net realisable value.

Leased assets

Leases where WDHB assumes substantially all the risks and rewards of ownership, whether or not title is eventually transferred are classified as finance leases. The assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

The property held under finance leases and leased out under operating lease is classified as investment property and stated at fair value. Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property on a property-by-property basis.

Subsequent costs

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

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of Asset	Estimated Life
• Buildings (including components)	2 to 50 years
• Clinical equipment	2.5 to 15 years
• Information technology	2.5 to 15 years
• Motor vehicles	5 to 12.5 years
• Other plant and equipment	2.5 to 15 years

The residual value of assets is reassessed annually.

Work in progress is recognised at cost, less impairment, and is not depreciated. The total cost of a project is transferred to the appropriate class of asset on its completion and then depreciated.

INTANGIBLE ASSETS

Intangible assets comprise computer software products acquired by WDHB and are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the service potential or future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

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

Type of asset	**Estimated life**
Software	2 to 10 years

IMPAIRMENT

The carrying amounts of WDHB's assets, 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.

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

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 surplus or deficit.

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.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income.

Calculation of recoverable amount

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

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is calculated

differently depending on whether an asset generates cash or not. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

For non-cash generating assets that are not part of a cash generating unit value in use is based on depreciated replacement cost (DRC). For cash generating assets value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

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

Reversals of impairment

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

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

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

INVESTMENTS

Investments, including those in subsidiary and associated companies, are stated at the lower of cost and net realisable value. Any decreases are recognised in the surplus or deficit.

DEBTORS AND OTHER RECEIVABLES

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

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on weighted average cost.

Inventories held for distribution

Inventories held for distribution are stated at the lower of cost and current replacement cost.

The amount of any write-down for the loss of service potential is recognised in surplus or deficit in the period of the write-down.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash balances, deposits held at call with banks, other highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are repayable on demand and form an integral part of WDHB's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

INTEREST-BEARING BORROWINGS

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

Borrowings are classified as current liabilities unless the DHB has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

EMPLOYEE BENEFITS

Defined contribution schemes

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

Defined benefit schemes

WDHB's net obligation in respect of defined benefit pension schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on New Zealand government bonds that have maturity dates approximating to the terms of WDHB's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a scheme are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the surplus or deficit.

All actuarial gains and losses as at 1 July 2006, the date of transition to NZIFRSs, were recognised. Likewise, all actuarial gains and losses that arise subsequent to the transition date in calculating WDHB's obligation in respect of a scheme are recognised in the surplus or deficit.

Long service leave, sabbatical leave and retirement gratuities

WDHB's net obligation in respect of long service leave, sabbatical leave and retirement gratuities is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rates used for the 2013 valuation are based on the weighted average of bond yields such that the estimated term of the bonds is consistent with the estimated term of the liabilities. This approach is consistent with the requirements of NZ IAS19.

Annual leave, conference leave, sick leave and medical education leave

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

PROVISIONS

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

Restructuring

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

CREDITORS & OTHER PAYABLES

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

COST OF SERVICE STATEMENTS

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

COST ALLOCATION

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

Cost Allocation Policy - Direct costs are charged directly to major board activities. Indirect costs are charged to major board activities based on cost drivers and related activity/usage information.

Criteria for Direct and Indirect Costs - Direct costs are those costs directly attributable to a specific Wairarapa DHB activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific Wairarapa DHB activity.

Cost Drivers for Allocation of Indirect Costs **-** The cost of internal services not directly charged to board activities is allocated as overheads using appropriate cost drivers such as direct cost ratios, actual usage, staff numbers and floor area.

NOTES TO THE FINANCIAL STATEMENTS

1. OPERATING INCOME

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Health & disability services (MOH contracted revenue)	123,074	119,472	123,074	119,472
Inter district patient inflows	3,357	3,472	3,357	3,472
ACC contract	2,031	1,546	2,031	1,546
Donations & bequests	81	140	81	140
Other income	4,040	4,526	2,794	3,392
Total operating income	**132,583**	**129,156**	**131,337**	**128,022**

2. FINANCE INCOME

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Interest income	77	119	76	116
Dividend income	0	0	160	5
Gain on disposal of property, plant & equipment	529	9	529	7
Total finance income	**606**	**128**	**765**	**128**

3. WORKFORCE COSTS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Wages & salaries	36,717	35,649	36,717	35,649
Payments to contracted workforce	3,576	2,429	3,576	2,429
Increase / (decrease) in liability for employee entitlements	(486)	208	(486)	208
Total workforce costs	**39,807**	**38,286**	**39,807**	**38,286**

4. OTHER EXPENSES

4a. OTHER OPERATING COSTS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Other operating expenses	7,602	6,655	6,591	5,756
Outsourced Services	4,226	4,081	4,226	4,081
Clinical Supplies	7,929	7,724	7,929	7,724
Operating lease expenses	1,430	1,400	1,387	1,357
Audit fees (for the audit of the financial statements)	120	117	109	106
Audit fees (for other assurance services)	82	90	82	90
Impairment of trade receivables (bad & doubtful debts)	46	80	46	80
Board member fees & expenses	254	237	248	231
Total other operating expenses	**21,689**	**20,384**	**20,618**	**19,425**

Operating lease expenses

Wairarapa DHB leases property, plant & equipment in the normal course of its business. The majority of these leases have a non-cancellable term of between 12 and 36 months. The future minimum lease payments payable are disclosed in the Statement of Commitments.

Leases can be renewed at the Wairarapa DHB's option, with rents set by reference to current market rates for items of equivalent age & condition. Wairarapa DHB has, in some cases, the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Wairarapa DHB by any of the leasing arrangements.

4b. PAYMENTS TO EXTERNAL HEALTH PROVIDERS

Wairarapa DHB makes payments to a number of non-government organisations (NGOs) through its funder arm for health services provided by those NGOs. These services include payments to the Primary Health Organisation (PHO), general practitioners, community pharmacies, aged care providers, home and community support providers, Maori health providers and a number of other organisations.

Additionally the Wairarapa DHB pays other district health boards for services those district health boards provide for Wairarapa residents either for an acute episode or for a range of elective and outpatient services not provided within Wairarapa Hospital. This payment mechanism is called inter district flows (IDFs).

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Payments to non-health board providers	45,496	44,627	45,496	44,627
Inter-District Flow payments to other DHBs	25,799	26,696	25,799	26,696

5. FINANCE COSTS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Interest expense	1,334	1,619	1,334	1,619
Capital charge	685	669	685	669
Total finance costs	**2,019**	**2,288**	**2,019**	**2,288**

Wairarapa DHB pays a capital charge to the Crown based on the greater of its actual or budgeted closing equity balance, adjusted for equity contributions or repayment of equity, for the year. The capital charge rate for the period ended 30 June 2013 was 8% (2012 – 8%).

6. INCOME TAX

In accordance with the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004, the group (Wairarapa DHB and its 100% owned subsidiary Biomedical Services New Zealand Limited) is a public authority and is exempt from income tax.

7. PROPERTY, PLANT & EQUIPMENT

7a. NON-CURRENT ASSETS

Group	Land (at valuation) $000	Buildings (at valuation) $000	Clinical equipment $000	Other equipment $000	Information technology $000	Motor vehicles $000	Work in progress $000	Total $000
Cost / valuation								
Balance at 1 July 2011	1,935	34,315	6,512	2,341	790	1,621	986	48,500
Additions	0	91	411	157	126	99	278	1,162
Disposals	0	0	(447)	(55)	(24)	(811)	(115)	(1,452)
Revaluations	0	0	0	0	0	0	0	0
Balance at 30 June 2012	**1,935**	**34,406**	**6,476**	**2,443**	**892**	**909**	**1,149**	**48,210**
Balance at 1 July 2012	1,935	34,406	6,476	2,443	892	909	1,149	48,210
Additions	0	51	534	81	42	50	515	1,273
Disposals	0	0	(252)	(14)	(3)	(51)	(1,622)	(1,942)
Revaluations	500	2,903	0	0	0	0	0	3,403
Balance at 30 June 2013	**2,435**	**37,360**	**6,758**	**2,510**	**931**	**908**	**42**	**50,944**

(Note: An amount for disposal shown in the work in progress category represents amounts transferred to the appropriate asset category)

Group	Land (at valuation)	Buildings (at valuation)	Clinical equipment	Other equipment	Information technology	Motor vehicles	Work in progress	Total
Depreciation & impairment losses								
Balance at 1 July 2011		0	3,913	1,617	676	521		6,727
Depreciation charge for the year		757	551	175	31	88		1,602
Depreciation charge discontinued operations		0	0	0	0	0		0
Impairment losses		0	0	0	0	0		0
Disposals		0	(211)	(23)	(24)	(313)		(571)
Revaluations		0	0	0	0	0		0
Balance at 30 June 2012		**757**	**4,253**	**1,769**	**683**	**296**		**7,758**
Balance at 1 July 2012		757	4,253	1,769	683	296		7,758
Depreciation charge for the year		768	528	174	57	86		1,613
Impairment losses		0	0	0	0	0		0
Disposals		0	(252)	(15)	(2)	(35)		(304)
Revaluations		(1,525)	0	0	0	0		(1,525)
Balance at 30 June 2013		**0**	**4,529**	**1,928**	**738**	**347**		**7,542**

Group	Land (at valuation)	Buildings (at	Clinical equipment	Other equipment	Information technology	Motor vehicles	Work in progress	Total
Carrying amounts								
At 1 July 2011	1,935	34,315	2,599	724	114	1,100	986	41,773
At 30 June 2012	**1,935**	**33,649**	**2,223**	**674**	**209**	**613**	**1,149**	**40,452**
At 1 July 2012	1,935	33,649	2,223	674	209	613	1,149	40,452
At 30 June 2013	**2,435**	**37,360**	**2,229**	**582**	**193**	**561**	**42**	**43,402**

Parent	Land (at valuation) $000	Buildings (at valuation) $000	Clinical equipment $000	Other equipment $000	Information technology $000	Motor vehicles $000	Work in progress $000	Total $000
Cost / valuation								
Balance at 1 July 2011	1,935	34,315	6,512	1,751	732	1,522	986	47,753
Additions	0	91	411	38	115	78	278	1,011
Disposals	0	0	(447)	(39)	0	(802)	(115)	(1,403)
Revaluations	0	0	0	0	0	0	0	0
Balance at 30 June 2012	**1,935**	**34,406**	**6,476**	**1,750**	**847**	**798**	**1,149**	**47,361**
Balance at 1 July 2012	1,935	34,406	6,476	1,750	847	798	1,149	47,361
Additions	0	51	534	30	39	36	515	1,205
Disposals	0	0	(252)		(1)	(40)	(1,622)	(1,915)
Revaluations	500	2,903	0	0	0	0	0	3,403
Balance at 30 June 2013	**2,435**	**37,360**	**6,758**	**1,780**	**885**	**794**	**42**	**50,054**

(Note: An amount for disposal shown in the work in progress category represents amounts transferred to the appropriate asset category)

Parent	Land (at valuation)	Buildings (at valuation)	Clinical equipment	Other equipment	Information technology	Motor vehicles	Work in progress	Total
Depreciation & impairment losses								
Balance at 1 July 2011		0	3,913	1,073	620	458		6,064
Depreciation charge for the year		757	551	129	24	67		1,528
Depreciation charge discontinued operations		0	0	0	0	0		0
Impairment losses		0	0	0	0	0		0
Disposals		0	(211)	(7)	0	(304)		(522)
Revaluations		0	0	0	0	0		0
Balance at 30 June 2012		**757**	**4,253**	**1,195**	**644**	**221**		**7,070**
Balance at 1 July 2012		757	4,253	1,195	644	221		7,070
Depreciation charge for the year		768	528	126	45	68		1,535
Impairment losses		0	0	0	0	0		0
Disposals		0	(252)	(1)	0	(24)		(277)
Revaluations		(1,525)	0	0	0	0		(1,525)
Balance at 30 June 2013		**0**	**4,529**	**1,320**	**689**	**265**		**6,803**

Parent	Land (at valuation)	Buildings (at valuation)	Clinical equipment	Other equipment	Information technology	Motor vehicles	Work in progress	Total
Carrying amounts								
At 1 July 2011	1,935	34,315	2,599	678	112	1,064	986	41,689
At 30 June 2012	**1,935**	**33,649**	**2,223**	**555**	**203**	**577**	**1,149**	**40,291**
At 1 July 2012	1,935	33,649	2,223	555	203	577	1,149	40,291
At 30 June 2013	**2,435**	**37,360**	**2,229**	**460**	**196**	**529**	**42**	**43,251**

Impairment

No impairment losses have been recognised during the period.

Revaluation

The total fair value of land and buildings was valued by CB Richard Ellis as at 30 June 2013 amounted to $39,795,520.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value for land where there is a designation against the land or the use of the land is restricted. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on the DHB's ability to sell land would normally not impair the value of the land because it has operational use of the land for the foreseeable future and will receive substantially the full benefits of outright ownership.

The most recent revaluation was performed by CB Richard Ellis and the valuation is effective as at 30 June 2013.

Buildings

Specialised hospital buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for optimisation due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line deprecation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The most recent revaluation was performed by CB Richard Ellis and the valuation is effective as at 30 June 2013.

Restrictions

The disposal of certain properties may be subject to the provisions of s40 of the Public Works Act 1981. Proceeds from the sale of Wairarapa DHB assets are used to purchase new assets as specified under Clause 43, Schedule 3 New Zealand Public Health and Disability Act 2000.

7b. ASSETS CLASSIFIED AS HELD FOR SALE

Wairarapa DHB sold the old Masterton Hospital to the Office of Treaty Settlements in December 2012 for $1,650,000. The impairment in 2012 amounted to $1,313,000 and is separately disclosed in the statement of comprehensive income. There are no assets held which are intended for sale at balance date.

8. INTANGIBLE ASSETS

Group	Intangible Assets $000	Work in progress $000	Total $000
Cost / valuation			
Balance at 1 July 2011	1,578	290	1,868
Additions	36	176	212
Disposals	0	0	0
Revaluations	0	0	0
Balance at 30 June 2012	**1,614**	**466**	**2,080**
Balance at 1 July 2012	1,614	466	2,080
Additions	205	40	245
Disposals	0	0	0
Revaluations	0	0	0
Balance at 30 June 2013	**1,819**	**506**	**2,325**

(Note: An amount for disposal shown in the work in progress category represents amounts transferred to the appropriate asset category)

Group	Intangible Assets	Work in progress	Total
Depreciation & impairment losses			
Balance at 1 July 2011	538		538
Amortisation charge for the year	160		160
Impairment losses	0		0
Disposals	0		0
Revaluations	0		0
Balance at 30 June 2012	**698**		**698**
Balance at 1 July 2012	698		698
Amortisation charge for the year	164		164
Impairment losses	0		0
Disposals	0		0
Revaluations	0		0
Balance at 30 June 2013	**862**		**862**

Group	Intangible Assets	Work in progress	Total
Carrying amounts			
At 1 July 2011	1,040	290	1,330
At 30 June 2012	**916**	**466**	**1,382**
At 1 July 2012	916	466	1,382
At 30 June 2013	**957**	**506**	**1,463**

Parent	Intangible Assets $000	Work in progress $000	Total $000
Cost / valuation			
Balance at 1 July 2011	1,486	290	1,776
Additions	34	176	210
Disposals	0	0	0
Revaluations	0	0	0
Balance at 30 June 2012	**1,520**	**466**	**1,986**
Balance at 1 July 2012	1,520	466	1,986
Additions	205	40	245
Disposals	0	0	0
Revaluations	0	0	0
Balance at 30 June 2013	**1,725**	**506**	**2,231**

(Note: An amount for disposal shown in the work in progress category represents amounts transferred to the appropriate asset category)

Parent	Intangible Assets	Work in progress	Total
Depreciation & impairment losses			
Balance at 1 July 2011	467		467
Amortisation charge for the year	154		154
Impairment losses	0		0
Disposals	0		0
Revaluations	0		0
Balance at 30 June 2012	**621**		**621**
Balance at 1 July 2012	621		621
Amortisation charge for the year	164		164
Impairment losses	0		0
Disposals	0		0
Revaluations	0		0
Balance at 30 June 2013	**785**		**785**

Parent	Intangible Assets	Work in progress	Total
Carrying amounts			
At 1 July 2011	1,019	290	1,309
At 30 June 2012	**899**	**466**	**1,365**
At 1 July 2012	899	466	1,365
At 30 June 2013	**940**	**506**	**1,446**

Impairment

No impairment losses have been recognised during the period.

9. INVESTMENTS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Investment in subsidiary	0	0	103	103
Investment in joint venture	2,665	294	2,665	294
Trust funds invested	259	255	259	255
Total investments	**2,924**	**549**	**3,027**	**652**

Investment in Subsidiary

Biomedical Services New Zealand Limited is 100% owned by WDHB (2012 – 100%). The principal activity of the subsidiary is the testing and maintenance of biomedical equipment. The latest audited financial statements were used as the basis for consolidation. The balance date of Biomedical Services New Zealand Ltd is 30 June.

Investment in Joint Venture

The investment in Central Region's Technical Advisory Services Limited (CRTAS) comprises 16.67% (2012: 16.67%) shareholding in 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 Wairarapa DHBs share is $100. At balance date all share capital remains uncalled.

As at 30 June 2013, a further investment in CRTAS includes an advance, for the acquisition of Class B Redeemable Preference Shares. The advance will convert to Redeemable Preference Shares after all terms of the issue, compliance with the applicable law and requirements of the Ministry of Health are complied with.

WDHB, in conjunction with the five other district health boards in the central region (Capital and Coast DHB, Hutt DHB, MidCentral DHB, Whanganui DHB and Hawkes Bay DHB), have embarked on a collaborative effort to implement the Central Region Information Systems Programme (CRISP) phase 1. This programme will provide a single instance of a range of clinical information systems across the region. TAS has been determined as the owner of the CRISP assets and will be funded by the issuance of "B class" shares to the value equivalent to each DHB's allocated contribution. The Memorandum of Agreement between the six DHBs and TAS has not yet been formally executed by all parties however the contributions to implementation have commenced. WDHB has treated the initial contributions, totalling $2,665,000 as a Joint Venture, in line with this plan.

10. CASH & CASH EQUIVALENTS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Short term deposits	296	2,296	0	2,000
Cash & cash equivalents	4	4	4	4
Bank overdraft	(1,169)	(3,420)	(1,169)	(3,420)
Total cash & cash equivalents	**(869)**	**(1,120)**	**(1,165)**	**(1,416)**

WDHB is a party to the "DHB Treasury Services Agreement" between Health Benefits Limited (HBL) and the participating DHBs. This Agreement enables HBL to "sweep" DHB bank accounts and invest surplus funds on their behalf. The DHB Treasury Services Agreement provides for individual DHBs to have a debit balance with HBL, which will incur interest at the on-call interest rate received by HBL plus an administrative margin of 0.5%.

The balance held by WDHB within this Agreement is shown as bank overdraft within the table above.

The carrying value of cash at bank and term deposits with maturities less than three months approximates their fair value.

Reconciliation of Net Deficit to Net Operating Cash Flows

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Net surplus	**(3,398)**	**(6,744)**	**(3,336)**	**(6,839)**
Add/(less) Non-cash items:				
Depreciation & amortisation	1,777	1,855	1,699	1,775
Impairment on property valuation	0	1,313	0	1,313
Increase/(decrease) employee benefits (non-current)	(146)	69	(146)	69
Add/(less) Items classified as investment activity:				
Net loss/(gain) on sale of property, plant & equipment	0	0	0	0
Dividends received	0	0	(160)	(5)
Add/(less) movements in working capital items:				
(Increase)/decrease in receivables	399	376	440	390
(Increase) / decrease in inventories	4	(41)	4	(41)
(Decrease) in payables & accruals	(1,137)	(680)	(1,002)	(626)
Increase/(decrease) in taxation	0	0	0	0
Net cash flow from operating activities	**(2,501)**	**(3,852)**	**(2,501)**	**(3,964)**

11. INVENTORIES

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Central stores	251	258	251	258
Pharmaceuticals	94	93	94	93
Theatre supplies	250	250	250	250
Other supplies	168	166	168	166
Total inventories	**763**	**767**	**763**	**767**

Write-down of inventories amounted to nil for 2013 (2012 – nil). The amount of inventories recognised as an expense during the year ended 30 June 2013 was nil (2012 – nil). No inventories are pledged as security for liabilities but some inventories are subject to retention of title clauses (Romalpa clauses). The value of stocks subject to such clauses cannot be quantified due to the inherent difficulties in identifying the specific inventories affected at year-end.

12. TRADE & OTHER RECEIVABLES

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Trade Debtors	4,179	4,511	4,001	4,355
Provision for Doubtful Debts	(141)	(131)	(141)	(131)
Prepayments	209	266	209	266
Amount Owing by Subsidiary	0	0	7	26
Total trade & other receivables	**4,247**	**4,646**	**4,076**	**4,516**

The carrying value of debtors and other receivables approximates their fair value.

13. EQUITY

Group	Crown equity $000	Property revaluation reserve $000	Retained earnings $000	Total $000
Balance at 1 July 2011	29,429	2,155	(23,235)	8,349
Total recognised income & expenses	0	0	(6,744)	(6,744)
Contribution (net) from the Crown	4,818	0	0	4,818
Movement in revaluation of land & buildings	0	0	0	0
Balance at 30 June 2012	**34,247**	**2,155**	**(29,979)**	**6,423**
Balance at 1 July 2012	34,247	2,155	(29,979)	6,423
Total recognised income & expenses	0	0	(3,398)	(3,398)
Prior year equity closing balance correction			(31)	(31)
Contribution (net) from the Crown	4,796	0	0	4,796
Movement in revaluation of land & buildings	0	3,403	0	3,403
Balance at 30 June 2013	**39,043**	**5,558**	**(33,408)**	**11,193**

Parent	Crown equity $000	Property revaluation reserve $000	Retained earnings $000	Total $000
Balance at 1 July 2011	29,429	2,155	(23,541)	8,043
Total recognised income & expenses	0	0	(6,839)	(6,839)
Contribution (net) from the Crown	4,818	0	0	4,818
Movement in revaluation of land & buildings	0	0	0	0
Balance at 30 June 2012	**34,247**	**2,155**	**(30,380)**	**6,022**
Balance at 1 July 2012	34,247	2,155	(30,380)	6,022
Total recognised income & expenses	0	0	(3,336)	(3,336)
Prior year equity closing balance correction			(31)	(31)
Contribution (net) from the Crown	4,796	0	0	4,796
Movement in revaluation of land & buildings	0	3,403	0	3,403
Balance at 30 June 2013	**39,043**	**5,558**	**(33,747)**	**10,854**

Revaluation reserve

The revaluation reserve relates to land and buildings. Where buildings are reclassified as investment property, the cumulative increase in the fair value of the buildings at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

14. INTEREST-BEARING LOANS & BORROWINGS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Non current liabilities				
Privately sourced loans	508	612	508	612
Crown sourced loans	21,250	19,750	21,250	19,750
Total non current interest-bearing loans & borrowings	**21,758**	**20,362**	**21,758**	**20,362**
Current liabilities				
Privately sourced loans	60	127	60	127
Crown sourced loans	4,500	6,000	4,500	6,000
Total current interest-bearing loans & borrowings	**4,560**	**6,127**	**4,560**	**6,127**

Crown Loans

The crown loans are secured by a negative pledge. The Ministry of Health (MoH) and the DHB have agreed a debt facility of $25,750,000 of which $25,750,000 was drawn at 30 June 2013. The MoH term borrowings are secured by a negative pledge. The CHFA was disbanded on 1 July 2012 and the lending functions previously performed by the CHFA have been transferred to the National Health Board Business Unit (NHB) within the Ministry of Health.

Included in the non-current Crown sourced loans above is a tranche of the debt totalling $6,000,000 that was refinanced with the NHB on 15 April 2013.

Without the MoH's prior written consent the DHB cannot perform the following actions:

- create any security interest over its assets except in certain defined circumstances;
- lend money to another person or entity (except in the ordinary course of business and then only on commercial terms) or give a guarantee;
- make a substantial change in the nature or scope of its business as presently conducted;
- dispose of any of its assets except disposals in the ordinary course of business or disposal for full fair value; and
- provide or accept services other than for proper value and on reasonable commercial terms.

The DHB must also meet the following covenants which have been complied with at all times during the year.

- Interest-bearing debt divided by interest-bearing debt plus equity is less than 65 percent.
- A cash flow covenant, under which the accumulated annual cash flow must be greater than zero.

The fair value of the crown loan borrowings is $26,474,000.

The Government of New Zealand does not guarantee term loans.

Private Loans

The Selina Sutherland Hospital Trust has provided privately funded financing arrangements for the DHB to extend the Selina Sutherland private hospital. The private hospital wing is part of the Wairarapa Hospital.

Wairarapa DHB has no other privately funded financing arrangements.

Details of the interest rates & repayment schedule applicable to the interest-bearing loans & borrowings are shown below:

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Ministry of Health				
Interest rate summary	4.35%	5.45%	4.35%	5.45%
Repayable as follows:				
Less than one year	4,500	6,000	4,500	6,000
One to two years	4,500	0	4,500	0
Greater than two years	16,750	19,750	16,750	19,750
	25,750	**25,750**	**25,750**	**25,750**
Privately sourced loans				
Interest rate summary	7.00%	4.00%	7.00%	4.00%
Repayable as follows:				
Less than one year	60	127	60	127
One to two years	64	349	64	349
Greater than two years	444	263	444	263
	568	**739**	**568**	**739**

15. EMPLOYEE BENEFITS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Non current liabilities				
Liability for long service leave	244	272	244	272
Liability for retirement gratuities	307	425	307	425
Total non current employee benefits	**551**	**697**	**551**	**697**
Current liabilities				
Liability for long service leave	409	397	409	397
Liability for retirement gratuities	92	71	90	69
Liability for sabbatical leave	75	50	75	50
Liability for continuing medical education leave	228	290	228	290
Liability for maternity grant	8	9	8	9
Liability for annual leave	3,532	3,673	3,467	3,626
Liability for sick leave	86	86	86	86
Provision for restructuring	0	0	0	0
Salary & wages accrual	1,002	1,179	973	1,149
Total current employee benefits	**5,432**	**5,755**	**5,336**	**5,676**

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

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities 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. Weighted average discount rates of 3.4% for long service leave (2012: 2.8%) and 3.9% for retirement gratuities (2012: 3.1%) and a salary increase assumption of 2% (2012: 2%) were used.

Defined Benefit Plans

Wairarapa DHB does not make any contributions to a defined benefit plan other than KiwiSaver and has no defined benefit obligations.

16. TRUST FUNDS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Balance at beginning of year	247	243	247	243
Funds received	12	4	12	4
Interest received	0	0	0	0
Funds spent	0	0	0	0
Balance at end of year	**259**	**247**	**259**	**247**

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

17. PAYABLES & ACCRUALS

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Trade creditors & accruals	6,840	7,087	6,719	7,039
Capital charge payable	466	154	466	154
GST & other taxes payable	847	925	864	946
Income received in advance	24	24	24	24
Amount owing to subsidiary	0	0	7	6
Total payables & accruals	**8,177**	**8,190**	**8,080**	**8,169**

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

18. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and currency risks arise in the normal course of Wairarapa DHB's operations. The DHB does not utilise derivative financial instruments to hedge exposure to fluctuations in foreign exchange rates and interest rates.

Credit Risk

Financial instruments, which potentially subject the DHB to concentrations of risk, consist principally of cash, short-term deposits and accounts receivable.

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

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

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

Group	Actual 2013 $000 Gross	Actual 2013 $000 Impairment	Actual 2013 $000 Net	Actual 2012 $000 Gross	Actual 2012 $000 Impairment	Actual 2012 $000 Net
Not past due	3,800	0	3,800	3,042	0	3,042
Past due 1-30 days	94	0	94	1,144	0	1,144
Past due 31-60 days	27	(8)	19	41	(8)	33
Past due 61-90 days	0	(53)	(53)	144	(53)	91
Past due > 91 days	251	(80)	171	114	(70)	44
Total	**4,172**	**(141)**	**4,031**	**4,485**	**(131)**	**4,354**

Parent	Actual 2013 $000 Gross	Actual 2013 $000 Impairment	Actual 2013 $000 Net	Actual 2012 $000 Gross	Actual 2012 $000 Impairment	Actual 2012 $000 Net
Not past due	3,631	0	3,631	3,042	0	3,042
Past due 1-30 days	94	0	94	1,014	0	1,014
Past due 31-60 days	25	(8)	17	41	(8)	33
Past due 61-90 days		(53)	(53)	144	(53)	91
Past due > 91 days	251	(80)	171	114	(70)	44
Total	**4,001**	**(141)**	**3,860**	**4,355**	**(131)**	**4,224**

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The provision for impairment has been calculated based on the monthly review of debtor balances ageing and the likelihood of overdue amounts being recovered.

Movements in the provision for impairment of receivables are as follows:

	Actual 2013 $000	Actual 2012 $000
Balance at 1 July	70	83
Additional Provisions made	141	70
Receivables written off	(70)	(83)
Total	**141**	**70**

Liquidity Risk

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

Cash flow interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate or, the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. The DHB adopts a policy of ensuring that greater than 75% of its exposure to changes in interest rates on borrowings is on a fixed rate basis. No interest rate swaps are deemed necessary.

The interest rates applicable to the DHB have been disclosed in note 14.

Foreign Currency Risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The DHB is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than NZD. The currencies giving rise to this risk are primarily Australian Dollars, U.S. Dollars and Japanese Yen.

Forward foreign exchange contracts

Forward foreign exchange contracts are used to manage exposure to foreign exchange risk arising from the purchase of equipment denominated in a foreign currency. The DHB does not hold these contracts for trading purposes. The DHB has not entered into any hedge contracts for foreign exchange transactions during the year as it has deemed that hedging will only occur for significant, generally in excess of $50,000, transactions sourced directly from overseas.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The DHB has no financial instruments that give rise to price risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The DHB's exposure to fair value interest rate risk arises from bank deposits and bank loans that are at fixed rates of interest. The exposure to fair value interest rate risk is not actively managed by the DHB as investments and borrowings are generally held to maturity.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the DHB, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested with registered banks. In the normal course of business, exposure to credit risk arises from cash and term deposits with banks, debtors and other receivables, and forward foreign exchange contracts (2012 – Nil) in an asset position. For each of these, the maximum credit risk exposure is best represented by the carrying amount in the statement of financial position.

Investments and forward foreign exchange contracts are entered into only with registered banks that have a Standard and Poors's credit rating of at least A2 for short term and A- for long term investments. WDHB has experienced no defaults of interest or principal payments for term deposits and forward foreign exchange contracts.

Concentrations of credit risk for debtors and other receivables are limited due to the large number and variety of customers. The MoH is the largest debtor. It is assessed as a low risk and high-quality entity due to being a government-funded purchaser of health and disability services.

No collateral or other credit enhancements are held for financial instruments that give rise to credit risk.

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2013 $000	Actual 2012 $000
Fair value through surplus or deficit - Held for trading		
Forward foreign exchange contracts in a liability position	0	0
Loans and receivables:		
Cash and cash equivalents	300	2,300
Debtors and other receivables	4,247	4,646
Investments	2,924	549
Total loans and receivables	**7,471**	**7,495**
Financial liabilities measured at amortised cost:		
Creditors and other payables (excluding income in advance and GST)	7,306	7,241
Borrowings - MOH loans	25,750	25,750
Borrowings - Privately sourced loans	568	739
Total financial liabilities measured at amortised cost	**33,624**	**33,730**

Capital Management

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

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

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

Sensitivity Analysis

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

At 30 June 2013, it is estimated that a general increase of one percentage point in interest rates would increase Wairarapa DHB's deficit before tax by approximately $9,000 (2012: $17,000).

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings.

Wairarapa DHB credit quality information follows.

	Actual 2013 $000	Actual 2012 $000
Counterparties with credit ratings		
Cash and cash equivalents and trust fund assets:		
AA	(610)	(865)
AA-	0	0
Total Cash and cash equivalents and trust fund assets	**(610)**	**(865)**
Counterparties without credit ratings		
Debtors and other receivables:		
Existing counterparty with no defaults in the past	4,247	4,646
Existing counterparty with defaults in the past	0	0
Total debtors and other receivables	**4,247**	**4,646**

Fair Value Analysis

The fair value of the financial instruments is considered equivalent to the carrying value recorded in the statement of financial position except for the Crown sourced loans which are based on the Government bond rate plus 15 basis points based on mid market pricing, including accrued interest.

Group	Held for trading	Designated at fair value through profit & loss	Loans and receivables	Available for sale	Other amortised cost	Carrying amount	Fair value
	2013 $000	2013 $000	2013 $000	2013 $000	2013 $000	2013 $000	2013 $000
Investments					2,924	2,924	2,924
Trade and other receivables			4,247			4,247	4,247
Cash and cash equivalents			300			300	300
Crown sourced loans					25,750	25,750	26,474
Privately sourced loans					568	568	568
Trade and other payables					8,177	8,177	8,177

Group	Held for trading	Designated at fair value through profit & loss	Loans and receivables	Available for sale	Other amortised cost	Carrying amount	Fair value
	2012 $000	2012 $000	2012 $000	2012 $000	2012 $000	2012 $000	2012 $000
Investments					549	549	549
Trade and other receivables			4,646			4,646	4,646
Cash and cash equivalents			2,300			2,300	2,300
Crown sourced loans					25,750	25,750	27,590
Privately sourced loans					739	739	739
Trade and other payables					8,190	8,190	8,190

Parent	Held for trading	Designated at fair value through profit & loss	Loans and receivables	Available for sale	Other amortised cost	Carrying amount	Fair value
	2013	2013	2013	2013	2013	2013	2013
	$000	$000	$000	$000	$000	$000	$000
Investments					3,027	3,027	3,027
Trade and other receivables			4,076			4,076	4,076
Cash and cash equivalents			4			4	4
Crown sourced loans					25,750	25,750	26,474
Finance lease liabilities					568	568	568
Trade and other payables					8,080	8,080	8,080

Parent	Held for trading	Designated at fair value through profit & loss	Loans and receivables	Available for sale	Other amortised cost	Carrying amount	Fair value
	2012	2012	2012	2012	2012	2012	2012
	$000	$000	$000	$000	$000	$000	$000
Investments					652	652	652
Trade and other receivables			4,516			4,516	4,516
Cash and cash equivalents			2,004			2,004	2,004
Crown sourced loans					25,750	25,750	27,590
Finance lease liabilities					739	739	739
Trade and other payables					8,169	8,169	8,169

19. RELATED PARTIES

All related party transactions have been entered into on an arms' length basis.

WDHB is a wholly-owned entity of the Crown.

Significant transactions with government-related entities

WDHB has received funding from the Crown and ACC of $124.5 million (2012 $122 million) to provide health services for the year ended 30 June 2013.

Inter District Flows

WDHB earns revenue from other DHBs for the care of patient's domiciled outside the DHB's district where the service is provided by WDHB. WDHB incurs expenditure to other DHBs for the care of Wairarapa domiciled patients where the care is provided outside the DHB's district. The process for this purchasing arrangement is inter district flows. For the period the following transactions were incurred by WDHB.

	2013 $000	2012 $000
Revenue	3,357	3,472
Expenditure	25,799	26,696
Receivable at 30 June	100	100
Payable at 30 June	120	17

Collectively, but not individually, significant, transactions with government-related entities

In conducting its activities, WDHB is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The WDHB is exempt from paying income tax.

WDHB also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2013 totalled $665,000 (2012: $811,000). These purchases included the purchase of energy from Meridian Power New Zealand Ltd, Solid Energy New Zealand Ltd and Genesis Power New Zealand Ltd as well as air travel from Air New Zealand, and postal services from New Zealand Post.

Transactions with related parties

Wairarapa DHB has a 100% shareholding in Biomedical Services New Zealand Limited. Biomedical Services New Zealand Limited has a balance date of 30 June and was incorporated in New Zealand. The directors of Biomedical Services New Zealand Limited are Rick Long (Wairarapa DHB Board member) and Tracey Adamson. Tracey Adamson was Wairarapa DHB's Chief Executive until she resigned from this position 21 December 2013. Pamela Jefferies resigned as Biomedical Services New Zealand Limited Director 19 February 2013. The total value of transactions between Wairarapa DHB and Biomedical Services New Zealand Limited was $209,000 (2012: $180,000). The amount outstanding at balance date is $17,000 (2012: $30,000).

Wairarapa DHB has a 16.7% shareholding in Central Region Technical Advisory Services Limited (2012 – 16.7%) and participates in its commercial and financial policy decisions. The total value of transactions between Wairarapa DHB and Central Region Technical Advisory Services Limited was $2,451,734 (2012: $499,333). No amounts are outstanding at balance date.

Remuneration of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly of that entity. This includes the senior leadership team and the Board members. The remuneration paid to the key management personnel is:

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Key management remuneration	1,846	1,966	1,640	1,781

All payments included in the remuneration total are classified as "short term benefits". Wairarapa DHB does not have any compensation arrangements for key management personnel of the nature of post employment benefits, other long term benefits or termination benefits.

There were no loans to board members or executive officers for the year ended 30 June 2013 (2012 – nil).

Wairarapa DHB does not provide non-cash benefits to board members or executive officers.

20. SUBSEQUENT EVENTS

There are no significant events subsequent to balance date.

21. ACCOUNTING ESTIMATES & JUDGEMENTS

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

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

Investment property

WDHB has sublet various areas within the Wairarapa Hospital facility but has decided not to treat those particular areas as an investment property because it is not WDHB's intention to hold this for capital appreciation or rental. Accordingly, this is still treated as a lease of property, plant and equipment.

Finance and operating leases

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

Estimating useful lives and residual values of property, plant, and equipment

The useful lives and residual values of property, plant, and equipment are reviewed at each balance date. Assessing the appropriateness of useful life and residual value estimates requires the WDHB to consider a number of factors such as the physical condition of the asset, advances in medical technology, expected period of use of the asset by the WDHB, and expected disposal proceeds (if any) from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciable amount of an asset, therefore affecting the depreciation expense recognised in the surplus or deficit and the asset's carrying amount. The WDHB minimises the risk of this estimation uncertainty by:

- Physical inspection of the assets
- Asset replacement programs

In the year to 30 June 2013, the WDHB has not made changes to past assumptions concerning useful lives and residual values of assets.

22. EXPLANATION OF FINANCIAL VARIANCES FROM BUDGET

The significant variances between the actual reported financial results and those budgeted are as follows.

Revenue

- Additional revenue has been recognised during the year over the budgeted amount primarily relating to additional funding for initiatives funded by the Ministry of Health. These initiatives attract additional expenditure.

Expenditure

- Additional expenditure has arisen due to higher than planned medical workforce expenses. The adverse workforce variance reflects the costs of locums engaged to provide necessary cover at various times throughout the year.
- Other Operating expenses were higher than planned as a result of not fully achieving planned savings and efficiencies targets set at the beginning of the year.

Assets

- The balance of Property, Plant and equipment is higher than planned. This reflects the Property value increase that resulted from the Property revaluation as at 30 June 2013.

Liabilities

- Trade creditors are lower than planned primarily due to the expected timing of expenditures in relation to the CRISP programme.

Equity

- The higher than planned closing equity position relates to the increase in the revaluation reserve resulting from the Property revaluation as at 30 June 2013.

23. DISCONTINUED OPERATIONS

On 29 February 2012 the WDHB, in conjunction with the Ministry of Health, entered into an agreement with Wellington Free Ambulance for the sale of the ambulance service. This transfer was completed on 1 March 2012.

The financial results of the discontinued operations included in the statement of comprehensive income are set out below.

	Group Actual 2013 $000	Group Actual 2012 $000	Parent Actual 2013 $000	Parent Actual 2012 $000
Income				
Operating income	0	1,172	0	1,172
Gain on sale of property, plant & equipment	0	341	0	341
Total income	**0**	**1,513**	**0**	**1,513**
Expenditure				
Workforce costs	0	1,167	0	1,167
Other operating expenses	0	319	0	319
Depreciation & amortisation expense	0	93	0	93
Loss on sale of property, plant & equipment	0	606	0	606
Total expenditure	**0**	**2,185**	**0**	**2,185**
Net surplus/(deficit) from discontinued operations	**0**	**(672)**	**0**	**(672)**

24. BREACH OF STATUTORY DEADLINE FOR PUBLISHING THE ANNUAL REPORT

In accordance with section 156 of the Crown Entities Act 2004, the annual report is required to be provided to the Auditor-General within 3 months of balance date to allow an audit report to be provided within 4 months after the end of the financial year end. The statutory deadline was not met because a position had not been reached on the Smoking cessation heath target relating to in hospital advice due to insufficient audit evidence for the reported results.

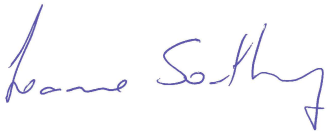
STATEMENT OF RESPONSIBILITY

The Board and management of Wairarapa District Health Board accept responsibility for the preparation of the financial statements and the statement of service performance and judgements used in them.

The Board and management of Wairarapa 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.

In the opinion of the Board and management of Wairarapa District Health Board the financial statements and the statement of service performance for the year ended 30 June 2013 fairly reflect the financial position and operations of Wairarapa District Health Board.

Chair
Bob Francis



Board Member & Chair, Audit & Risk Committee
Leanne Southey

Chief Executive
Graham Dyer

Finance Manager
Judith Parkinson

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Wairarapa District Health Board and group's financial statements and performance information for the year ended 30 June 2013

The Auditor-General is the auditor of Wairarapa District Health Board (the Health Board) and group. The Auditor-General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Health Board and group on her behalf.

We have audited:

- the financial statements of the Health Board and group on pages 46 to 100, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Health Board and group that comprises the statement of service performance on pages 17 to 33 and the report about outcomes on pages 34 to 44.

Unmodified opinion on the financial statements

In our opinion the financial statements of the Health Board and group on pages 46 to 100:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Health Board and group's:
  - financial position as at 30 June 2013; and
  - financial performance and cash flows for the year ended on that date.

Qualified opinion on the performance information

Reason for our qualified opinion

Performance information from third party health providers

Some significant performance measures of the Health Board, (including some of the national health targets, and the corresponding district health board sector averages used as comparators), rely on information from third party health providers, such as primary health organisations. The Health Board's control over much of this information is limited, and there are no practical audit procedures to determine the effect of this limited control. For example, the primary care measure that includes advising smokers to quit relies on information from general practitioners that we are unable to independently test.

Performance information about smokers seen in hospital are offered advice and support to quit

Our testing of hospital performance measures included the national health target for "smokers seen in hospital are offered advice and support to quit". Based on the evidence available, our testing of that national health target found the reported performance to be materially overstated. However, we are unable to quantify the extent of the overstatement.

Qualified Opinion

In our opinion, except for the effect of the matters described in the "Reasons for our qualified opinion" above, the performance information of the Health Board and group on pages 17 to 44:

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects the Health Board and group's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:
    - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
    - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 29 November 2013. This 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 our responsibilities, and we explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and performance information. We were unable to determine whether there are material misstatements in the performance information from third party health providers because the scope of our work was limited, as we referred to in our opinion. Also, we found a material overstatement in a hospital performance measure that was not corrected, as we referred in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Health Board and group's preparation of the financial statements and performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Health Board and group's internal control.

Our audit of the financial statements involved evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board; and
- the adequacy of disclosures in, and overall presentation of, the financial statements.

Our audit of the service performance information involved evaluating:

- the appropriateness of the reported service performance within the Health Board and group's framework for reporting performance;
- the material performance measures, including the national health targets; and
- the adequacy of disclosures in, and overall presentation of, the service performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

We have obtained all the information and explanations we have required about the financial statements. However, as referred to in our opinion, we did not obtain all the information and explanations we required about the performance information. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinions.

Responsibilities of the Board

The Board is responsible for preparing financial statements and performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Health Board and group's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements and outcomes.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and performance information, whether in printed or electronic form.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you based on our audit. Our 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 External Reporting Board.

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

K M Rushton
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

DIRECTORY

Board Office

Wairarapa DHB
P O Box 96
Masterton 5840
Telephone: 06 946 9880
Website: www.wairarapa.dhb.org.nz

Board Members

Bob Francis	Chairman	Rick Long
Leanne Southey	Deputy Chairman	Vivien Napier
Liz Falkner		Fiona Samuel
Charles Grant		Janine Vollebregt
Rob Irwin		Ronald Karaitiana (From 1 July 2013)
Helen Kjestrup		Janice Wenn (Retired March 2013)

Executive Leadership Team for Wairarapa and Hutt Valley DHBs

Graham Dyer	Chief Executive Officer	Cate Tyrer	General Manager Quality & Risk
Pete Chandler	Chief Operating Officer	Judith Parkinson	Finance Manager
Helen Pocknall	Executive Director of Nursing & Midwifery	Richard Schmidt	Executive Officer
Iwona Stolarek	Cheif Medical Officer	Jill Stringer	Communications Manager
Russell Simpson	Executive Director Allied Health, Scientific & Technical	Stephanie Turner	(Acting, Wairarapa) Maori Health
Carolyn Cooper (3DHB)	Executive Director People & Culture	Kuini Puketapu	(Acting, Hutt Valley) Maori Health
Ashley Bloomfield (3DHB)	Director Service Integration & Development Unit (SIDU)	Tofa Suafole Gush	Director of Pacific People's Health
Kelvin Watson (3DHB)	Acting Chief Information Officer	Justine Thorpe	Programme Director, Tihei Wairarapa
Bridget Allen (Hutt Valley)	Chief Exective, Te Awakairangi Health Network		