West Coast District Health Board

Te Poari Hauora A Rohe O Tai Poutini

Statement of Intent

2007/08 – 2009/10

EXECUTIVE SUMMARY

This Statement of Intent has been prepared by West Coast District Health Board (DHB) to meet the requirements of section 39 of the New Zealand Public Health and Disability Act 2000 and section 139 (1) of the Crown Entities Act 2004.

This document is intended to outline for Parliament and the general public the performance that will be delivered during the 2007/2008 year by the West Coast DHB and contains non-financial and financial forecast information for the 2007/08 and 2008/09 years. The agreed performance measures are in the context of the government's strategic and service priorities for the public health and disability sector.

Through strong relationships with organisations such as Tatou Pounamu, the West Coast PHO, Community and Public Health, Local Territorial Authorities and the community the DHB is not only delivering health services but educating people about what defines health.

Health is not about the bricks and mortar of a hospital but is about staying well and through initiatives that aim to reduce the impact and incidence of cancer, stroke, heart disease, diabetes and obesity the DHB is providing a clearer patient pathway.

As one of the few DHBs in the country to be involved in the delivery of primary care this organisation is in a unique position of being able to develop a patient journey that aims provide a seamless transition between primary, secondary and community health services with ultimate goal to keep people healthier for longer.

The West Coast is an area with unique and challenging geography as well as health needs.

In the past year the DHB has consulted on its draft Secondary Care Plan which in its very essence aims to improve the patient journey and provide a flexible and resilient future for many years to come. This is a very exciting plan as we further develop the provision of health care services on the West Coast.

Already some parts of this plan are underway. At the start of 2007 the first recipients of West Coast DHB scholarships began to study towards careers in health. The scholarships aim to attract young people not only to careers in health but to encourage them to return to the West Coast once they are fully qualified.

The West Coast has also become a pilot site for the first ever rural immersion doctor training programme. Three fifth year medical students will spend the majority of their academic year working with clinicians in this region while completing the same exams and assignments as their urban-based counterparts.

This new training programme recognises that rural medicine is a specialised area of health.

This year the DHB has also begun implementing the Child Health Plan. The DHB is committed to the vision that "children are the future". Over the next 12 months the DHB will be working along side other agencies to improve the oral health of children in this region. The plan will also be working to improve immunisation rates in the region.

Within the last year around 1000 school students in the region were enrolled in the Fruit in Schools programme; in addition to this the West Coast DHB has now employed a Healthy Eating Healthy Action programme manager.

Healthy Eating Healthy Action (HEHA) aims to create an environment and society where individuals, families and whānau and communities are supported to eat well, live physically active lives, and attain and maintain a healthy body weight.

HEHA is also a vital component of the Cancer Control Strategy. Through this strategy the DHB in partnership with other organisations aims to reduce the incidence and impact of cancer in the region.

Increasing the number of options to support elderly is also at the top of the DHB's agenda over the next 12 months.

Professor Gregor Coster **CHAIRMAN**	Dr Malcolm Stuart **BOARD MEMBER**

2.0 VISION STATEMENT AND VALUES

2.1 Our Vision

"To be the New Zealand centre of excellence for rural health services"

HE MIHI

E ngā mana
E ngā reo
E ngā iwi o te motu
Tēnei te mihi ki a koutou katoa

HE WHAKATAUKI

"Ko tau rourou, ko taku rourou, ka ora ai te iwi"
With your contribution and my contribution we will be better able to serve the people

OUR PRINCIPLES

Improved Health for the people of the West Coast through better:

- **ACCESS**
  Provide the people of the West Coast with equitable access to a comprehensive range of primary and secondary health services in the most appropriate location

- **INTEGRATION**
  Establishment of closer working relationships between all health care professionals to provide more comprehensive, better co-ordinated person-centred health care services and to ensure seamless continuity of care for patients

- **QUALITY**
  The degree to which services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge

- **EQUITY**
  Increasing our understanding of the cause of health inequalities and the action we can take to reduce these inequalities through the funding and service provision decisions we make at a local level

Our Values

All activities of the West Coast DHB will reflect the values of:

- Manaakitanga – caring for others
- Whakapapa – identity
- Integrity
- Respect
- Accountability
- Valuing people
- Fairness
- Whanaungatanga - family and relationships

TABLE OF CONTENTS

1.0 INTRODUCTION

1.1. General

West Coast DHB is one of 21 DHBs established on 1 January 2001 in accordance with section 19 of the New Zealand Public Health and Disability Act 2000 (NZPHD Act 2000). West Coast DHB is categorised as a Crown Agent under section 7 of the Crown Entities Act 2004 (CE Act 2004). The CE Act 2004 (section 49) states that the Board of West Coast DHB must ensure that the DHB acts in a manner consistent with its objectives, functions and this Statement of Intent (SOI).

This SOI is for the period 2007/08 to 2009/10. The SOI describes to Parliament and the communities of the West Coast District what the DHB intends to achieve over the next three years in terms of reducing inequalities, promoting, enhancing and facilitating the health and well-being of the people in our district. The SOI incorporates the governance (the Board), funder and provider (e.g. hospitals, clinics) activities of the DHB.

Performance measures and targets are included describing how West Coast DHB will endeavour to reduce inequalities and improve the health and well-being of our community over the next three financial (1 July to 30 June) years.

This SOI is aligned to and consistent with:

- NZPHD Act 2000
- CE Act 2004
- Public Finance Act 1989 (and subsequent amendment acts)
- West Coast DHB's District Annual Plan (DAP)
- West Coast DHB's District Strategic Plan (DSP)
- West Coast DHB's District Crown Funding Agreements (CFA)
- The New Zealand Health Strategy (2000)
- The New Zealand Disability Strategy (2001)
- He Korowai Oranga (Māori Health Strategy, 2002)
- Te Tāhuhu: Improving Mental Health 2005-2015 (2005)
- The Health of Older People Strategy (2002)
- The Primary Health Care Strategy (2001)
- The Pacific Health and Disability Action Plan (2002)

This SOI includes:

- A statement of forecasted service performance the DHB will seek to achieve during 2007/08, and the two subsequent financial years, with non-financial performance measures and targets for one of the three output classes (i.e. the governance, funder and provider parts of the DHB) (page 10) it delivers, and
- Financial forecast for 2007/08 and the two subsequent years page 45

At the end of the year, auditors working on behalf of the Office of the Auditor General compare the performance planned in the SOI with the actual performance described in the DHB's Annual Report.

1.2. Reporting to the Minister of Health

The following table lists the reporting made to the Minister, via the Ministry of Health, and the frequency of that reporting.

Reporting	**Frequency**
Information Requests	Ad Hoc
Financial Reporting	Monthly
National Data Collections	Monthly
Risk Reporting	Quarterly
Crown Funding Agreement non-financial reporting and Indicators of DHB Performance	Quarterly
Hospital Benchmarking Information	Quarterly
Annual Report	Annually

In addition to the above regular reporting, we anticipate consulting with the Minister, via the Ministry of Health,on the development of our Integrated Campus Plan and business case during 2007/08.

1.3. Improving Māori Health and Reducing Māori Health Inequalities

In accordance with government's health strategies and policies, and in particular s. 4 of the NZPHD Act 2000 'Treaty of Waitangi', West Coast DHB is committed to reducing health inequalities and improving health outcomes for Māori.

We are committed to enabling greater Māori participation at all levels of the health and disability sector. We have identified a number of ways in which to enable Māori to contribute to decision making and to participate in the delivery of health and disability services within our DHB.

The West Coast District Health Board has set the long term health outcome for Māori to enjoy the same high health status as non-Māori. The West Coast District Health Board will work to improve Māori health and reduce health and disability inequalities for Māori on Tai Poutini. The West Coast DHB continues to utilise the framework set out in He Korowai Oranga and the pathways in Whakatataka Tuarua to achieve its goals

Accordingly the West Coast District Health Board has set goals to;

- Increase relative investment in Māori health
- Foster development of Whānau, Hapü, Iwi and Māori communities
- Increase Māori participation in the health and disability sector
- Encourage initiatives with other sectors that positively affect Whānau ora

2.0 OUR PEOPLE

This section describes West Coast DHB's region. It outlines the geographical location and the population profile, identifies health issues for the West Coast district, and describes how this operating environment influences the choices West Coast DHB makes.

2.1 Population Information

The West Coast DHB region occupies 8.5% of New Zealand's total land mass, but is home to just 31,326 "West Coasters" (Usually Resident, Census 2006). Significant population decline was recorded in 2001, with a fall of 6.7% since the 1996 Census. This decline was projected to continue, although the 2006 census shows a 3.4% increase in population[1]. However, in terms of total national population, the West Coast fell from 0.8% to 0.7% of the total population.

Overall the West Coast has an aging population with 14% of all residents currently aged over 65. This is predicted to grow 20.9% in the next ten years. The Māori population however, does not follow this pattern with 54% of the current Māori population aged under 25 (compared to 31% of the total) and just 4% of Māori are aged over 65. The Māori population aged over 65 years predicted to grow in the next ten years. The average age of West Coasters is one of the oldest in the country at 52 years of age

The West Coast region has a lower proportion of its population identifying as Māori with just 9% compared to 15% of the Total New Zealand population. This differs for youth however, as 16% of 0-24 year olds identify as Māori. The Māori population on the West Coast is expected to grow to 13.3% by 2021.

The West Coast has a very small Pacific Island population with just 279 usually resident Pacific Islanders at the 2006 census, just 0.9% of West Coast population. While the number and percentage of the total population remains small there was significant growth in the Pacific Island population since the 2001 census with the population almost doubling from less than 150 in 2001 to 279 in 2006. 14.7 % of New Zealand's population is of Pacific island origin.

The West Coast region differs significantly from the New Zealand Average as the most sparsely populated DHB in the country; it has a population density of 1.3 people per square kilometre – less than 10% of the New Zealand average. With a large number of small towns, approximately 41% of the West Coast population lives rurally, which is considerably higher than the national average of 15%.

Just 64% of West Coast residents reside within 60 minutes ("The Golden Hour") travel time by car from secondary hospital services. Nationally at least 90% of people are able to access health care and social support services within 30 minutes' travel time from their homes. Only 2% are within 180 minutes travel time by car from the nearest tertiary hospital at Christchurch.

[1] The increase was not equal across all territorial authorities with a decline in population continuing in the Buller District by -0.8% an increase in the Grey District of 2.5% and the Westland District Increased by 8%.

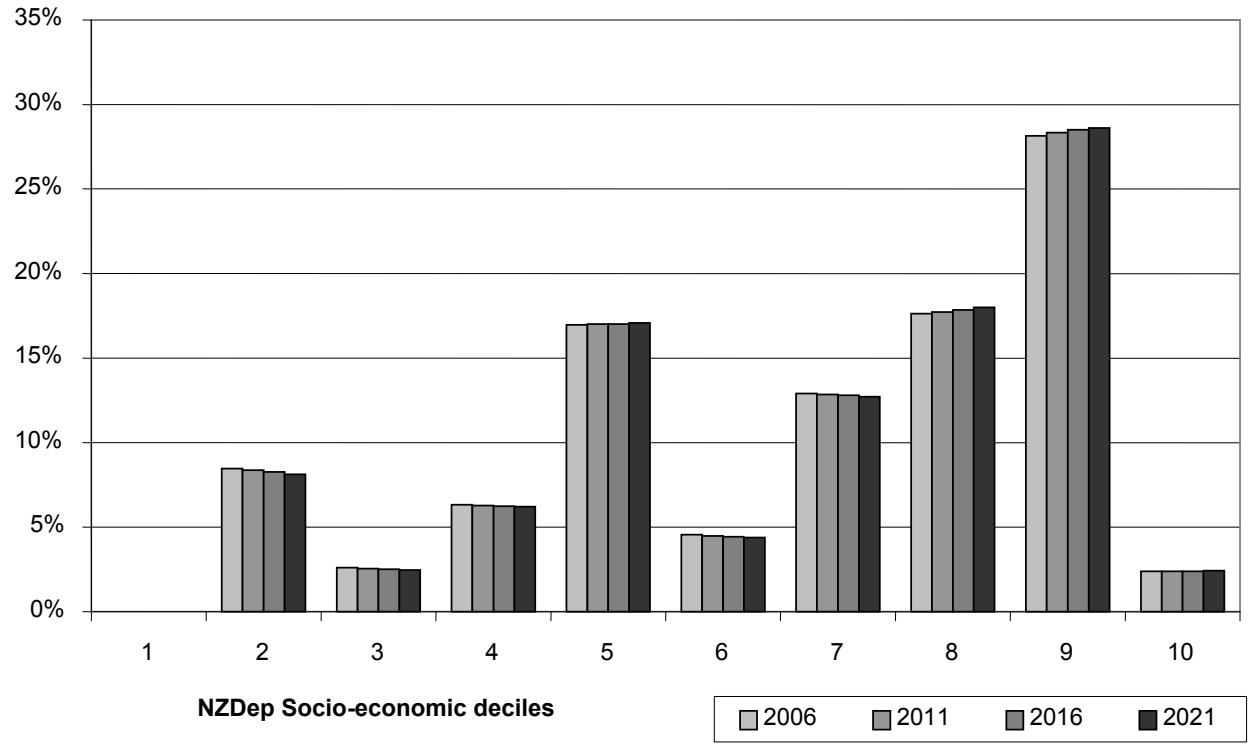
Socio-economic status is low on the West Coast compared to the rest of the country and the Buller district consistently has the highest level of deprivation when compared to the Westland and Grey districts.

Almost 50% of the West Coast population lives in NZDep 8, 9 and 10 areas. This includes 50% of children, and the percentage of Māori and Pacific population residing in NZDep 8, 9 and 10 areas is also high.

High levels of deprivation on the West Coast are associated with low income levels and educational achievement of West Coast residents. The 2006 census shows that 34% of the West Coast population over the age of 15 earn less than $15,000 per annum with a further 9.5% earning between $15,000 and $20,000 higher than the national figures of 30% and 8% respectively.

The level of educational attainment in the region is lower than the national figures with 32% of usually resident West Coast residents aged over 15 years without formal qualifications compared to 22% nationally.

West Coast population projections by NZDep 2006-2021



Statistics New Zealand forecast a very slight worsening of socio-economic status for West Coasters by 2021. In 2021, 35% of West Coast Māori will live in an area considered to be a NZDep decile 9 or 10, compared to 30% of non-Māori, non-Pacific people and 37% of Pacific people.

3.0 NATURE AND SCOPE OF ACTIVITIES

The activities of our DHB fall into three groups (or "output classes"):

- Governance
- Planning and Funding
- Provision of Services

3.1 DHB Governance

The governance structure for DHBs is set out in NZPHD Act 2000. The Board consists of eleven members and they have overall responsibility for the operation of West Coast DHB. Seven of the members are elected as part of the three yearly local body election process (last held in October 2004) and up to four are appointed by the Minister of Health.

The Board can delegate matters to the Chief Executive Officer of our DHB. There are a number of sub committees to the Board and these are made up of Board members, DHB staff and community representatives. Three of these committees are requirements of the NZPHD Act 2000, that is they are statutory committees. The Board is required to publish when and where it, or any of its subcommittees, are meeting.

Hospital Advisory Committee (HAC)
The HAC is a statutory committee covering the hospital within our DHB. The HAC monitors the financial and operational performance of the hospitals and assesses strategic issues relating to the provision of hospital services.

Community and Public Health Advisory Committee (CPHAC)
The role of the CPHAC, which is also a statutory committee, is to provide the Board with advice on the health and disability needs of our region's population. The committee reports on anything significant that may affect our population's health and it also advises the board on which issues are most important.

The CPHAC advises the Board on how services funded and/or provided by the DHB, and the DHB's policies, will impact on our population. The Committee also analyses relevant reports and makes recommendations to the Board. CPHAC makes sure that any advice it provides the Board is consistent with the national strategies and government policy.

Disability Support Advisory Committee (DSAC)
The role of the DSAC, another statutory committee, is to tell the Board about the needs of the people with disabilities in our region and prioritise the use of the money provided for those with a disability. The committee makes sure that the services provided or funded, and the policies adopted, promote the inclusion and participation of people with disabilities in our society, to maximise their independence.

Tatau Pounamu Advisory Committee
Tatau Pounamu is the new Māori health advisory committee which is working with the West Coast DHB concerning DHB Treaty-based relationships. The West Coast DHB expects that Tatau Pounamu will continue to maintain effective Iwi involvement (both Mana Whenua and Mata Waka) in service monitoring and evaluation generally. It will also be an appropriate forum for monitoring progress towards the implementation of He Korowai Oranga.

The West Coast DHB Board

The Board provides leadership and is responsible for:

- Monitoring and evaluating the achievement of strategic and operational results and quality, both clinical and non-clinical
- Establishing and reviewing the mission, values, vision and strategic directions of the West Coast DHB
- Facilitating the appropriate involvement of clients in service development, delivery and review
- Ensuring the West Coast DHB is adequately resourced to meet its objectives
- Developing and monitoring governance policies that provide an adequate risk management framework and clear delegations to the Chief Executive.

The Board clearly defines documents and works within its scope of authority, roles and responsibilities, regularly reviews them and makes changes as necessary.

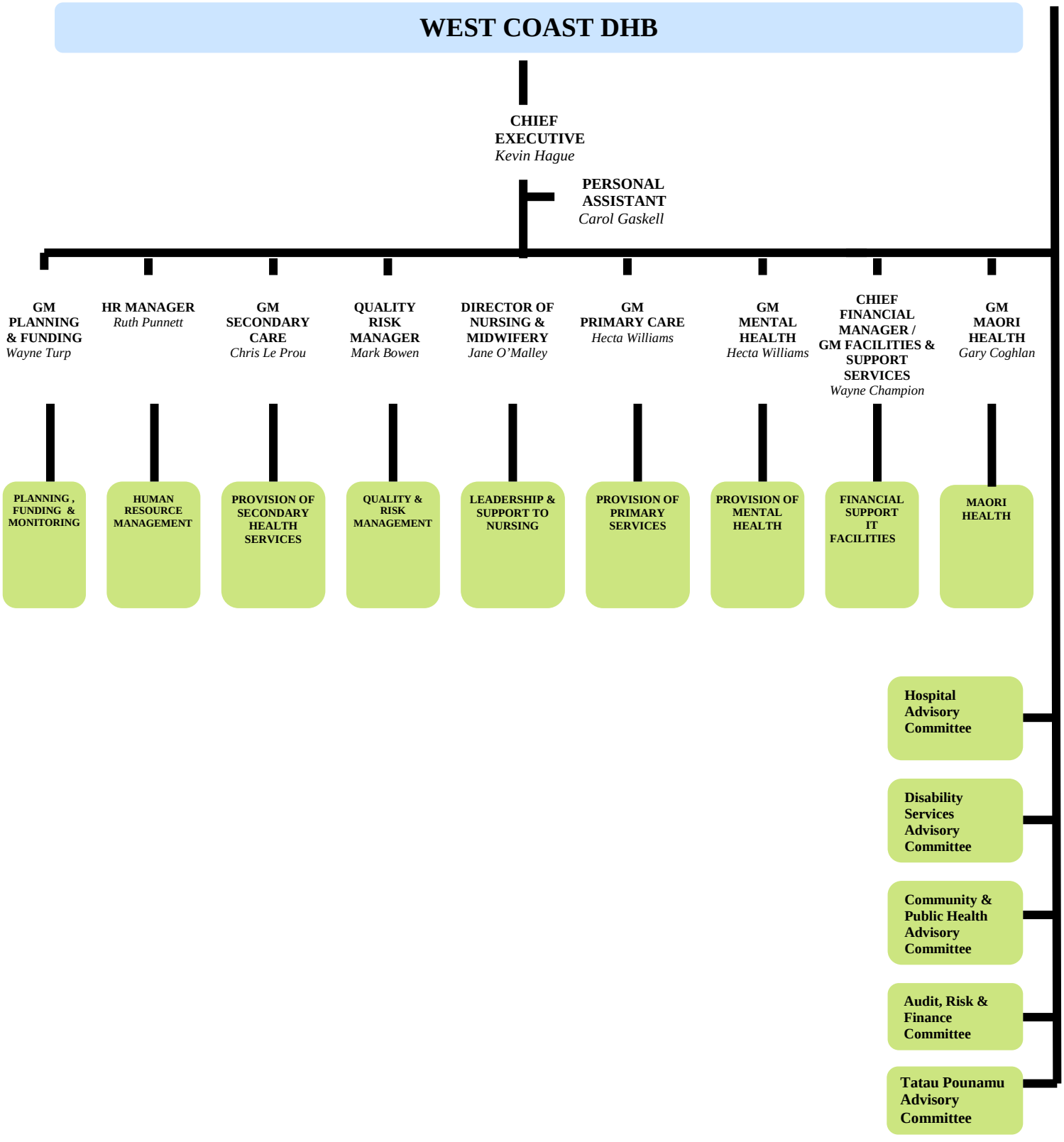
The Board operates according to a deed, constitution, bylaws, legislation or articles of association, and the corporate policies that it sets.

The West Coast DHB has Treaty-based relationships with Te Runanga o Ngati Waewae and Te Runanga o Makaawhio. The Board encourages, supports and regularly consults with Tangata Whenua and the Māori community both directly and through Tatau Pounamu – its Māori Health Advisory Group.

Members of the public are welcome to observe most of the meetings of the groups mentioned above. The meetings are held six weekly. Details of the meetings (such as agendas, minutes, membership of the committee, people who attended a meeting) are publicly available on www.westcoastdhb.org.nz or Corporate Office Grey Base Hospital, Greymouth.

Occasionally these groups may need to have discussions about some subjects where it is better if the public does not attend and this is allowed for in the NZPHD Act 2000.

Organisational Structure



Quality and Safety

The West Coast District Health Board is committed to ensuring that all the health services it provides and funds are of the highest quality. To achieve this, the West Coast DHB operates a quality audit and monitoring function, and actively encourages an organisational culture that is supportive of continuous quality improvement and quality initiatives through a systems approach. Implicit in this systems approach is the requirement for the effectiveness of these systems to be measured against agreed best practice standards. Such a systems approach must also ensure that delivery of care occurs in a systematic manner and is based on agreed best practice.

The purposes of this Quality Programme is to make explicit to all interested parties how the West Coast District Health Board will ensure that delivery of care is of the highest quality through the establishment, monitoring, improvement and evaluation of a management system. The Quality Programme has to make quite clear the intentions of the West Coast District Health Board with regard to:

- development of the management system
- monitoring the performance of the system
- making improvements to the system
- evaluating the improvements

In developing its Quality Programme, the West Coast District Health Board has to take into account:

- the size and geographic spread of the area that it serves
- personnel factors
- the need to be client-focused including the needs of current and potential clients
- financial framework within which the Service operates

Managing Key Aspects of Capability

Service Configuration

With its small resident population (2006 Census: 31,326) and large geographic area (8.5% of New Zealand's land area) the West Coast DHB faces a number of challenges not faced by other DHBs. Our geography and rurality create significant diseconomies of scale in the delivery of services provided by the DHB. Notwithstanding, we both fund and provide a broad range of health services to our population. Looking ahead we need to ensure the right mix of services is provided – this is not to be interpreted as signalling any reduction, rather it is the stated desire to not only maintain, but to increase appropriate services (subject to available funding and availability of health professionals). In so doing we will look to strengthen the relationships we have with key stakeholder groups, funding agencies and local authorities. Through this engagement the West Coast DHB will seek to both purchase and provide more of those services which will impact most on our communities in terms of health gains. We will also examine our facilities to ensure they appropriately support health service delivery both now and into the foreseeable future. Therefore we propose to reconfigure Grey Base Hospital.

Information Services

The past 12 months has been a period of intensive investment in information technology for the West Coast DHB. This investment has seen the West Coast DHB move to the forefront of health Information Technology.

The West Coast DHB's Information Systems Strategy is centred around 3 core projects:

PrISM (Primary Integration Systems Management)
The PrISM leveraged in telecommunication infrastructure put in place by the Ministry of Educations project PROBE initiative (aimed at providing broadband communications available to schools) to implement wide area network connecting the DHB's Primary Health Practices and to implement a shared patient administration system for them all. This system is scalable and over time it will can be made available to other health providers (GP Practices, NGOs, etc.) as well as being applied to other areas of the health system (school-based dental services, for example). It is even feasible to make the system available to other DHBs and PHOs. PrISM was completed in late 2005 and was Highly Commended in the 2006 Health Innovation Awards.

PACS (Picture Archiving and Communications System)
The PACS system allows the West Coast DHB to capture radiology images and diagnosis information electronically and share them with other clinicians within our own organisation and with other DHBs. Clinicians no longer need to share the one X-ray film, images will no longer get lost and doctors can compare notes with one another when considering treatment options. Sharing images with other DHBs allows doctors to discuss treatment plans and provides for improved referral decisions as well as improved patient treatment at referral hospitals as clinical staff can evaluate a patient's condition and plan for their treatment while they're being transported. A major infrastructure upgrade (network upgrade, new server room, centralised storage system and a hierarchical storage management solution) was implemented in order to support the PACS system. The PACS system went live in April 2006.

iSOFT PAS / CIS (Patient Administration and Clinical Information System)
The West Coast DHB has implemented a new Patient Administration System for its secondary hospital and mental health services. This Patient Administration system went live on 1st of July 2006, the Clinical Information System on 1st October 2006. Both systems are in a bedding down process, with the focus on reporting, implementing national collections (NNPAC and MHINC) and improvements in data quality.

All of these systems share common indexes (based on NHI and HPI) and will eventually be integrated with one another (using HL7 standards). Adding in electronic ordering, electronic discharge summaries and electronic referrals, will allow the formation of a single shared electronic health record for the West Coast population.

Each of these systems can be accessed from any location on the West Coast DHB's wide area network and can be made available to other DHBs through the South Island regional shared "One Office" network.

Workforce Development and Managing Organisational Health

The vision of the national workforce group is "To progress development of a health and disability workforce across DHBs and involving other stakeholders, so that current and future workforce needs are more likely to be met." The West Coast DHB is highly committed to the extensive plans, which cover the complete health sector workforce.

The West Coast vision of rural excellence aligns exceptionally well to this vision as we strive to increase the capacity and capability of our own workforce. We also aim to be an Employer of Choice, and meet the elements of a "good employer". The State Sector Act 1988 reaffirmed the concept of the 'good employer' and 'elevated it to a principle,' which permeates other pieces of legislation (such as the Crown Entities Act 2004), policy and practice. This is reflected in our policy and procedures which include clear recruitment and

employment policies, no tolerance policy to harassment and bullying, a code of conduct and healthy workplace policies. In addition we have clear organisational goals and vision.

We exist today in an environment that means we compete with many others to recruit top quality people from a limited pool of labour. We cannot fix that easily by using old methods. Our response to the changing nature of work and our rapidly aging workforce means we must look at new ways to organise work, manage our people and deliver our services.

West Coast baseline data from the Health Workforce Information Programme identifies key aspects for the West Coast District Health Board

- We have the oldest average workforce age of all 21 DHBs at 47.9 years, well above the 43.6 years average DHB age
- Our Allied Health employees are our youngest workforce, and our midwives are our oldest workforce
- We are the only DHB that is unable to provide any specific data on the ethnicity of our employees
- Our employees stay on average 8.3 years, well above the 7.04 years average for all DHBs

We must realign our roles, our processes and the workflow of our current workforce. We also need to grow our capability for the future. Key elements are workforce planning, organisational design, job design and workflow, targeting and attracting the right people, leadership development, succession planning, talent management and developing competencies.

We are committed to the broad concept of workplace wellbeing. Wellbeing is in part the outcome of our health and safety activities, so we need to ensure that we have health and safety accountability, clarity of roles and responsibilities, and that we comply with our legal, contractual and voluntary obligations.

Productivity

West Coast DHB sees the potential for future gains in productivity through more effective collaboration between services providers both within and outside the district. To this end we are currently developing active agreements with West Coast PHO and Community and Public Health to take a joint approach to certain aspect of primary health care delivery and public health promotion. In the coming year we will be exploring specific areas for improving productivity in our secondary services delivery. This is likely to include the following areas:

- Chronic Conditions Management
- Cancer Control
- Addressing Disincentives
- Primary Mental Health Services
- After Hours Primary Health Care

Value For Money

West Coast DHB is committed to achieving value for money in all services that are delivered for our population. By way of example, one area we are looking to achieve value for money is in the area of local responsiveness to diabetes.

West Coast DHB has placed considerable effort into advancing diabetes detection, screening, education, co-ordination and management in recent years. Annually, specific targets in key diabetes performance indicators for diabetes detection, diabetes management and diabetes retinal screening rates are set by the Local Diabetes Team (LDT) for the West Coast DHB. Targets set for 2007/08 and beyond have been given the added goal of improving the equity status of Māori among these indicators. Our overall focus is on early intervention as the best means to reduce the incidence, impact and downstream late effects – and cost – of diabetes and diabetes-related illnesses. This drive will be ongoing in 2007/08 as part of a continuum of this process to achieve value for money in diabetes care. Among the key initiatives we plan to focus upon in the forthcoming financial year are:

- Promotion of free annual diabetes checks in primary practice to increase detection rates (and supported by a number undertaken through secondary services)
- Increased investment in primary practice diabetes services (to provide free annual checks, diabetes management, and free diabetic retinal screening) through the West Coast PHO – increased from $76,500 in 2006 to $84,300 per annum in 2007
- Active implementation of the West Coast Integrated Diabetes Service Plan, through the West Coast DHB Chronic Conditions Management Strategy framework
- A follow-up survey of people with diabetes and of diabetes service providers by the Local Diabetes Team in 2008 to assess the impact of changes currently being rolled out from the consumer perspective (original baseline survey was conducted in 2005)
- Promotion of the use of our “Beginner’s Guide to Diabetes” booklet, to encourage better patient self-management and control over their diabetes
- Promotion of the use of a patient-held record (developed through the LDT) to provide ready-to-hand, up-to-date information to service providers as people with diabetes interface with different primary and secondary care providers
- Ongoing delivery of a series of promotional hui in main centres aimed at enhanced patient self-management education – with the series focusing on cardiovascular risk factors for people with diabetes in 2007 (focus for the 2008 hui series still to be determined by the LDT)
- Work to introduce annual community pharmacy reviews for people with diabetes from 2007/08 onward (ethical approval now obtained)
- Recruitment of a 0.3 FTE Diabetes Self-Management Educator by and within the West Coast PHO
- West Coast District Health Board liaison with CPH and WCPHO in the development and delivery of health promotion action plans that incorporate physical fitness and diabetes awareness, both for schools and the wider community
- Active encouragement of smoking reduction lifestyle choices as crucial components to reducing the risk of developing diabetes
- Active involvement in the Healthy Eating, Healthy Action initiative within the West Coast community
- Ongoing support for the Local Diabetes Team (LDT) to oversee the further enhancement, closer collaboration and effective delivery of diabetes services on the West Coast. (LDT has multisectoral representation from key stakeholder groups, including consumers, local Māori, and a range of primary and secondary care health professionals and specialists who work with diabetes)

While it is recognised that there is still a long way to go and much room for improvement to tackle the diabetes epidemic within the West Coast context, workstreams and initiatives undertaken to date are on track and have contributed to a steady improvement in

responsiveness to diabetes in recent years, as indicated through the three key national indicators of diabetes management and control:

Results (for Total Population)	2004 Results	2006 Results	Target for 2007/08
Case Detection: estimated population who have diabetes* accessing free annual checks	56.1%	57.2 %	Māori 70% Pacific Island 70% Other 70% All 70%
Case Management: Number on the diabetes register who have good diabetes management	77.1%	79.2 %	Māori 80% Pacific Island 80% Other 80% All 80%
Eye Screening: Number on the diabetes register who have had retinal screening in the past two years	78.7%	88.0%	Māori 90% Pacific Island 100% Other 90% All 90%

* Estimated population increases each year, based on Ministry of Health estimates of the number of people who are expected to have diabetes within the total population of the region as the incidence of diabetes increases.

Māori statistics in these results remain below those for non-Māori in case detection and eye screening results. These are areas of performance that the LDT, West Coast PHO and West Coast DHB have committed to concentrate their collective efforts upon to endeavour to reach or surpass these targets in 2007/08 – with a particular focus upon improving Māori health status compared to non-Māori within these measures.

As indicated, investment in primary practice diabetes services has been boosted in the forthcoming year in order to extend service to the enrolled PHO population (which now incorporates some 92% of the total West Coast population). West Coast DHB expects that we will achieve value for money through this work, and that this will be measured through achieving results against targets in the key diabetes performance measures. Activities and service improvements undertaken in 2007/08 will be part of a continuum of this planned, phased service development. We expect to see further cumulative improvements in these measures as the plans roll out over the longer term, to ensure we are making the best possible use of finite resources to reduce the impact of diabetes within our community.

A further example is in the area of Primary Mental Health. The West Coast DHB is working with West Coast PHO to undertake additional evaluation of the brief intervention service with 300 – 400 service users at a six month period after intervention to evaluate GHQ12 scores six months after the provision of brief intervention to establish long term cost effectiveness and improvement of health outcome.

3.2 DHB Planning and Funding

The SOI is a key governance document that lays out the planning and funding responsibilities of West Coast DHB and the Board. West Coast DHB is responsible for planning and funding the public health and disability services provided in our region according to national health and disability strategies to meet he needs of people in our region. Planning and Funding department is responsible for co-ordinating the involvement/input by departments and stakeholders in the writing of planning documents including the SOI. The Planning and Funding department is responsible for processes like the Health Needs Assessment (HNA) that identifies the need for health and disability services in our region. Planning and Funding staff also ensure that the communities of our region are involved in the planning that we do. The Planning and Funding department makes sure that any advice it provides the board matches with the national strategies and government policy. The Planning and Funding department is also responsible for developing services where they have identified gaps in the services already provided.

The Planning and Funding department is responsible for planning, undertaking service contracting, monitoring and evaluation of service delivery, including audits for the following services:

- Primary care
- Hospital and specialist services
- Mental health services
- Support services for people with disability (including residential services)
- Māori health
- Pacific health (Optional for DHBs with Pacific populations below 1500)

In funding these services, West Coast DHB will strive to maintain and improve the health of the people in our region within the funding allocated. West Coast DHB receives funding from the government for most Personal Health, Mental Health, Māori Health and Over-65s' Services in line with a national Service Coverage Schedule. Funding for Public Health and Under-65s' Disability Support Services is not made through the DHB but directly from the Ministry of Health to the organisations that provide those services.

West Coast DHB Local Priorities

The West Coast DHB District Strategic Plan, based on analysis of the health needs of the West Coast population, identifies 5 priority populations and 4 health service priority areas for the DHB to focus service development, innovation and funding allocation.

Population group priorities are:
- Māori Health
- Child health
- Youth Health
- Health of older Persons
- People with a long term mental illness

While the health services priorities set are:
- Public Health
- Primary Health Services
- Specialised Medical and Surgical Services
- Mental Health Services

3.2.1. Primary Health Care

A strong primary health care system (as outlined in the Primary Health Care Strategy) is central to improving New Zealanders' overall health, and to reducing health inequalities between different groups. New Zealand is experiencing a much higher prevalence of chronic conditions, such as diabetes and cardiovascular disease than occurred in the past. Some groups of New Zealanders suffer from these conditions more than others, for example, Māori, Pacific peoples and low-income New Zealanders. Chronic disease requires increased focus to ensure that it is recognised and managed effectively.

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

Transparent national priorities
DHBs, Primary Health Organisations (PHOs) and the Ministry of Health focused on national health priorities and working collaboratively to improve sector performance

Collective stewardship and governance
Communities and PHOs engaged to identify population needs and targeting responses consistent with national priorities

Enhanced delivery
A continuum of accessible services focused on reducing the incidence and impact of chronic conditions

The West Coast DHB aims to become recognised as a lead DHB, and centre of excellence, in rural health. The adverse circumstances in which primary care providers work on the West Coast require the development of innovative solutions, which are likely to have general applicability to other rural areas.
Access to primary health care services is a significant issue for the West Coast population for a number of reasons, one of which is a lack of Primary Care Providers

West Coast DHB is working in partnership with key stakeholders including the West Coast Primary Health Organisation (PHO), Community and Public Health, Māori Health Provider (Rata Te Awhina Trust), Community Pharmacies and other primary health care providers to ensure:

- A stronger focus to primary and community health services
- Greater emphasis on prevention and health promotion, and on early diagnosis and treatment
- A detailed strategy for the active management of chronic conditions
- A proactive and innovative approach to workforce issues, including partnership with training organisations
- Reducing the inequalities in health for Māori and for disadvantaged communities, particularly by finding ways to improve uptake of screening and preventive care and early treatment
- Working with the community to find joint Intersectoral solutions
- Working with Māori to find partnership solutions
- Greater integration of primary, community and secondary services
- Breaking down professional silos, with further development of generalist roles such as neighbourhood nurse
- Strengthening specialist support and training for primary and community-based services
- Further development of innovative information technology solutions to support these changes

3.2.2. DHB Provider Arm (i.e. Hospital and Specialist Services)

Our hospitals provide a range of inpatient and outpatient services to the people of our region.

The West Coast DHB Provider Arm currently has hospital and specialist services located at 4 sites.

Grey Base Hospital – Greymouth
- General Medical, Surgical and Paediatric Inpatient and Outpatient Services
- Allied Health Outpatient and Community Services
- District and Public Health Nursing
- Mental Health Acute Inpatient Service / Psychiatric Emergency Service
- Community Mental Health Service
- Emergency Department
- Maternity Services
- Assessment Treatment and Rehabilitation Services
- Geriatric Long Stay Hospital
- Diagnostic Laboratory, X-ray and Pharmacy Services

Buller Medical Services - Westport
- General Practitioner Medical Inpatient Services
- Visiting Specialist Medical Surgical and Paediatric Outpatient Services
- Allied Health Outpatient and Community Services
- District and Public Health Nursing
- Community Mental Health Services
- Geriatric Long Stay Hospital and Rest Home Elder Care Services
- Maternity Services

Reefton Hospital Site
- General Practitioner Medical Inpatient Services
- Visiting Specialist Medical Surgical Outpatients
- Geriatric Long Stay Hospital and Rest Home Elder Care Services
- District and Public Health Nursing

Seaview Hospital
- Psycho-geriatric and Dementia Care Inpatient Services

The West Coast DHB Provider Arm also operates a range of primary care service through 11 sites throughout the West Coast. Services include GP clinics, Practice, Rural Specialist, District, Well Child and Public Health Nursing Services and Community Mental Health Services throughout the West Coast.

Services are located at Karamea, Westport, Reefton, Dobson, Greymouth, Hokitika, Harihari, Whataroa, Franz Joseph, Fox Glacier and Haast.

Key Contracted Service Outputs

The hospital makes a contract with the Planning and Funding department of the DHB for the year. As part of this contract the hospital agrees to provide certain 'outputs'; these are listed in the table below:

Contracted output/service	Measure/Unit	2006/07 Amount provided	2007/08 Amount planned	Difference %
Medical Inpatient	Caseweights	1,330.19	1,320.19	-0.75%
Surgical Inpatient	Caseweights	2,110.11	2,084.08	-1.23%
Medical Outpatient	Appointments/Procedures[2]	4,463	5,150	+15.39%
Surgical Outpatient	Appointments/Procedures[3]	10,907	11,068	+1.48%
Mental Health	FTE/Bed days: ▪ FTE ▪ Bed Days ▪ Methadone Placements[4]	 54.7 6,935 41	 55.4 6,570 41	 +1.28% -5.26%[5] No change
Emergency Department	Number of attendances	12,700	12,700	No change
Maternity	Attendances/Procedures ▪ Secondary Maternity ▪ NICU Caseweights	 320 60	 320 60	 No change No change
Disability Support Services	FTE/Bed days: ▪ Inpatient Bed Days ▪ AT&R Outpatient and Domiciliary Services ▪ Domiciliary Nursing	 3,977 2,150 4,000	 3,612 2,150 4,000	 -9.18%[6] No change No change
Personal/Community Health	Services: ▪ Community Nursing and Allied Health Attendances[7] ▪ Home Help and Personal Care Hours ▪ Meals on Wheels ▪ Sexual Health visits ▪ Chemotherapy	 38,310 14,250 45,000 660 350	 38,250 14,500 40,000 660 300	 -0.16% +1.75% -11.11%[8] No change -14.28%[9]

[2] Includes resident and visiting specialist medical outpatients attendances.

[3] Includes resident and visiting specialist surgical outpatient clinic attendances, colonoscopy, gastroscopy, urological cystoscopy, and gynaecology and general surgery minor operations.

[4] Excludes 10 additional placements funded by the Ministry of Health directly in 2007/08.

[5] Purchase volume reduced by 365 bed days to reflect change in actual level of demand for service, rather than an intentional service reduction (with funding reinvested into additional community mental health nursing FTEs).

[6] Reduced by 365 bed days (specifically formerly purchased for a patient who is now deceased).

[7] Includes outpatients and domiciliary nurse-led medical clinics, dietician, occupational therapy, physiotherapy, social work, speech therapy, medical technician (cardiology, audiology and respiratory related services), and community district nursing professional services.

[8] Purchase volume reduced to reflect change in actual level for service, rather than an intentional service reduction.

[9] Purchase volume reduced to reflect change in actual level of demand for service rather than an intentional service reduction.

3.2.3. Elective Services (i.e. booked surgery)

While the West Coast DHB will positively benefit from the increase in funding to boost elective surgery volumes during 2007/2008 this does present an element of risk. As such a small DHB we are more exposed than others to impact of variations in demand and capacity that occur from time to time. Consequently we will maintain close control and monitoring of the need for additional elective surgical services. We will discuss with the Ministry of Health if necessary any issues requiring the movement of these additional elective service volumes between surgical specialties and procedures to ensure that patient demand may best be met to ensure ESPI compliance throughout the year.

However the West Coast DHB is committed to meeting the government's expectations around the three key policy areas of:

Patient Flow Management
Our DHB will comply with all Elective Services Patient Flow Indicators (ESPIs)

Level of Service (volumes, case weighted discharges, standardised intervention rates/standardised discharge ratios)
Our DHB will ensure that the hospital provides the number[4] of operations that it is contracted to do. We will deliver on our commitments in respect of the Orthopaedic and Cataract initiatives. We will review the key operations we perform to ensure we are delivering the right level of service for the people in our region.

Order of Service (Prioritisation)
We are committed to making sure that patients are assessed and prioritised for surgery on a consistent basis, and that they then receive surgery according to the priority they were given.

3.2.4. Mental Health Services

West Coast DHB provides services on the basis of the written strategy Te Tahuhu: Improving Mental Health 2005-2015. Te Tahuhu builds on the current mental health strategies and draws together government interest in mental health and addiction, and sets out government outcomes for mental health and addiction. Specifically, Te Tahuhu broadens the government's interest in mental health from people who are severely affected by mental illness to include all New Zealanders – while continuing to place emphasis on ensuring that people with the highest needs can access specialist services. Therefore, Te Tahuhu builds on past successes, establishes a platform to maintain momentum and provides a mandate for leadership.

The ten leading challenges or action priorities that West Coast DHB is endeavouring to achieve to meet mental health and addiction outcomes are:

- Promotion and Prevention
- Building Mental Health Services
- Responsiveness
- Workforces and Culture for Recovery

4 Reference: DAP Guideline p.14; OPF 8.16.1(1) p.127; IDP 'SER 04' p90; Service Coverage 'Elective Services' p.28

- Māori Mental Health
- Primary Health Care
- Addiction
- Funding Mechanisms for Recovery
- Transparency and Trust
- Working Together

'Blueprint'[5] Funding

West Coast DHB provides the following services with 'Blueprint' Funding:

- Psycho-geriatric AT&R and long stay services
- Acute and Sub Acute inpatient services
- Community Mental Health services:
    - Community Mental Health teams
    - Child and Youth services
    - TACT – Mental Health Crisis response team
    - Crisis respite
    - Community support work
    - Māori Mental Health
    - Alcohol and Drug
    - Youth Alcohol and Drug
    - Methadone services
    - Advocacy/Peer support
    - Residential homes for life
    - Activity Centres

5 Mental Health Commission. 1998. Hyperlink to: *Blueprint for Mental Health Services in New Zealand: How things need to be. Wellington: Mental Health Commission.*

The West Coast DHB has identified the following service areas as requiring reconfiguration and development:

Objective	Service	Plan
Improving the quality of Secondary Mental Health Services provided	Community Mental Health	Continuing the 'Knowing People Planning' project
	Alcohol and Drug	Review West Coast AOD Services
	Support Services	Review mental health support services
	Rehabilitation Services	Implement recommendations of the Rehab services Review.
	Acute Inpatient Unit	Review current levels of inpatient bed use
	Dementia Services	Relocation of dementia unit to Grey Base Hospital
	Older Persons	Review provision of services to older people with Mental Health and Disability Support Service health issues
	Child and Youth	Develop and implement a plan for recruitment and retention of qualified child and youth mental health professionals
Improving Pacific Island Mental Health Service	Community and Inpatient	Train staff in working with Pacific Island cultures and develop links with local Pacific community
Improving Māori Mental Health Services	Māori Mental Health	Provide Kaumatua services to mental health
	Community and Inpatient	Adopt Tikanga Best Practice models throughout the service
	Community and Inpatient	Ensure cultural assessments are carried out at the first available opportunity
Reduce the rate of suicides and suicide attempts on the West Coast	Suicide prevention	Increased intersectoral collaboration with Public Health Unit
	Suicide prevention	Monitor emergency department and mental health services management of people at risk of suicide
Implement the West Coast District Health Board Primary Mental Health Strategic Plan	Mental Health & Primary Care	Development of Primary Care Liaison position.
	Brief intervention	Continue to provide a Brief Intervention Service
	Primary Care	Provide training and support to Primary Care Providers working with mild to moderate mental illness

3.2.5. Health and Disability Support Services

Older People Services
West Coast DHB is progressively implementing its Health of Older People Strategy. Implementing the strategy by 2010 may require our DHB to review and refocus our current services to better meet the needs of the older people in our community now and in the future. Our local Health of Older People plans and strategic plans set out how we will develop more integrated health and disability services that are responsive to older people's varied and changing needs.

The strategy for older persons' health and support services for 2006-2016 (the 'WISE plan'), will guide the development of services during 2007-08.

The WISE plan outlines a comprehensive and innovative change in focus in older people's services, towards a new model of care that is health focused and preventive, restorative, flexible, collaborative and centred round the older person.

The goals of the WISE plan are to:

- Protect older people's health, independence and interdependence
- Deal with illnesses and disability before they worsen
- Ensure a smooth path into and out of specialist services
- Put in place a strong organisational infrastructure for older people's services

Other Support Services
The services provided for people with disabilities are designed around the New Zealand Disability Strategy. West Coast DHB's vision is to have a fully inclusive community, where people with disabilities can live in a society that highly values them and continually enhances their full participation.

In 2007/08 the West Coast DHB intends to continue the implementation of its Disability Strategic Action Plan. In doing so we will be advancing the objectives of the NZDS, including fostering an aware and responsive public service, collecting and using relevant information about disabled people and disability issues and encouraging and educating for a non-disabling society.

3.2.6. Māori Health

Whakatātaka[6] sets out to achieve change within DHBs. DHB activities are directed at improving Māori health rather than efforts being concentrated on ad hoc programmes and initiatives. It seeks to build on the strengths and assets within whānau and Māori communities. There are four pathways for action:

Te Ara Whakahaere: Pathway Ahead – Implementing Whakatātaka

- Te Ara Tuatahi: Pathway 1 – Developing whānau, hapū, iwi and Māori communities

6 He Korowai Oranga: Māori Health Strategy sets the direction for Māori health development in the health and disability sector for 2002-2012 years. Whakatātaka: Māori Health Action Plan 2006-2011 outlines what will be done to put the strategy in place. They are available on www. moh.govt.nz

- Te Ara Tuarua: Pathway 2 – Increasing Māori participation throughout the health and disability sector
- Te Ara Tuatoru: Pathway 3 – Creating effective health and disability services
- Te Ara Tuawhā: Pathway 4 – Working across sectors.

The pathways for action in Whakatātaka 2006-2011 continue and are integral to West Coast DHB. Four priority areas have been identified:

- Building quality data and monitoring Māori health,
- Developing Whānau ora-based models,
- Improving Māori participation at all levels of the health and disability sector particularly workforce development and governance,
- Improving primary health care

Specific DHB actions will be identified in Whakatātaka Tuarua 2006-2011.

The West Coast District Health Board has set the long term health outcome for Māori to enjoy the same high health status as non-Māori. The West Coast District Health Board will work to improve Māori health and reduce health and disability inequalities for Māori on Tai Poutini. The West Coast DHB continues to utilise the framework set out in He Korowai Oranga and the pathways in Whakatataka Tuarua to achieve its goals

Accordingly the West Coast District Health Board has set goals to;
- Increase relative investment in Māori health
- Foster development of whānau, hapū, iwi and Māori communities
- Increase Māori participation in the health and disability sector
- Encourage initiatives with other sectors that positively affect Whānau ora

3.2.7. Pacific Health

As our population is so small we do not have any initiatives in place relating to Pacific Health. However, we will cater for Pacific people in our general health policy.

Mental Health Services are implementing strategies to ensure services are culturally appropriate for Pacific Island people.

4.0 DHB AND INTERSECTORAL COLLABORATION

National
On a National Level the West Coast DHB will continue to collaborate with DHBNZ and the Ministry of Health Working parties. In addition the West Coast DHB is engaging in collaborative initiatives with other government departments and agencies (for example Housing New Zealand, Strengthening Families) as well as informal service groups including the Older Persons and Youth service group.

Regional
The West Coast DHB has engaged in regional collaboration with the Canterbury DHB and Nelson Marlborough DHB for the provision of some secondary level services and for all tertiary services.

Shared Support Agencies
A Shared Services Agency has been established by all six South Island DHBs to provide some of the health planning and contracting functions required by the DHBs, in the most effective and cost efficient way. SISSAL helps to ensure that a critical mass of scarce expertise is available to all participating DHBs, while avoiding duplication of these functions. SISSAL currently has the capability and capacity to deal with personal health, mental health, quality improvement and audit services, but this can be developed further as other services are devolved from the Ministry of Health to the DHBs.

Intersectoral
With so many of the factors that influence health status lying outside the health sector it's essential that the West Coast DHB seeks the help of a wide range of other organisations to take action to improve health. Fortunately there is a growing recognition of the need for co-operation in other sectors too.

The West Coast DHB is committed to initiating and sustaining processes for organisations to work together, and within 5-10 years expect to see meaningful collaboration to improve health status, particularly in the area of reducing inequalities in health. The West Coast DHB facilitates a Regional Intersectoral Forum, bringing together senior staff from a range of Statutory and NGOs (including Mayors of the three districts, New Zealand Police) to work together on regional Issues.

The West Coast DHB is also working intersectorally in the areas of Child and Youth Health, Family Violence and Healthy Eating Healthy Action.

Interagency
The West Coast DHB, West Coast PHO and Community and Public Health have established both a steering committee and working group around the planning and funding of Public Health and Primary Care services. This approach ensures the three agencies are working to achieve best possible health outcomes and minimises unnecessary duplication.

Multi-parent Subsidies
The West Coast DHB has a joint controlling interest in the South Island Shared Services Agency Limited (SISSAL) which is a multi-parent subsidiary of the six South Island DHBs. The agency provides a planning and funding advisory role to the DHB.

5.0 IMPACTS, OUTCOMES AND OBJECTIVES

This section outlines what our DHB hopes to achieve over the next three years. The impacts, outcomes or objectives listed are based on government policy and describe how our DHB will contribute to the government's policy direction for the whole of New Zealand. The details of what our DHB will do were developed through a Health Needs Assessment (HNA) and prioritisation process (p.10 District Strategic Plan).
http://www.westcoastdhb.org.nz/publications/reports/other/pdfs/20021201sp2002-2012final.pdf

5.1. National Outcomes for DHBs from the NZPHD Act 2000

The national outcomes to which West Coast DHB will contribute are:

- To reduce health inequalities by improving health outcomes for Māori and other population groups
- To reduce, with a view to eliminating, health outcome inequalities between various population groups within New Zealand, by developing and implementing, in consultation with the groups concerned, services and programmes designed to raise their health outcomes to those of other New Zealanders
- To improve, promote, and protect the health of people and communities
- To improve integration of health services, especially primary and secondary health services
- To promote effective care or support for those in need of personal health services or disability support services
- To promote the inclusion and participation in society and independence of people with disabilities
- To exhibit a sense of social responsibility by having regard to the interests of people to whom it provides, or for whom it arranges the provision of services
- To foster community participation in health improvement, in planning for the provision of services and for significant changes to the provision of services
- To uphold the ethical and quality standards commonly expected of providers of services and of public sector organisations
- To exhibit a sense of environmental responsibility by having regard to the environmental implications of its operations
- To be a good employer

5.2. National Priorities for 2007/08 (Government Policy)

The Minister of Health's 'Letter of Expectations' for 2007/08 identifies the Minister's specific priorities. These expectations, in addition to health and disability strategies and our DSP, enables this DHB to plan for 2007/08. This planning will include:

National Strategies

Continued progress, with emphasis on quality, safety and reducing inequalities, on the following:

- Elective surgery
- Breast screening

- Community mental health services
- Māori health service provision
- Pacific health service provision
- The 'get checked' programme for diabetes
- Pandemic preparedness
- Working within budget
- Ensuring Board members have the requisite governance skills
- The New Zealand Health Strategy (2000)
- The New Zealand Disability Strategy (2001)
- He Korowai Oranga (Māori Health Strategy, 2002)
- Te Tāhuhu: Improving Mental Health 2005-2015 (2005)
- The Health of Older People Strategy (2002)
- The Primary Health Care Strategy (2001)
- The Pacific Health and Disability Action Plan (2002)

Note: the Strategies listed above are available on the Ministry of Health website www.moh.govt.nz

Minister's 2007/08 Priorities

- Chronic Disease
- Child and Youth Services
- Primary Health
- Health of Older People
- Infrastructure
- Value for Money

5.3. DHB Impacts, Outcomes or Objectives specific to West Coast DHB

GROUP A – National Core Measures (i.e. those that most other DHBs may have in their SOI)

Equity and Access
- Secondary Mental Health Services Utilisation

Efficiency and Value for Money
- Day Case Procedures

Effectiveness
- Ambulatory Sensitive Hospitalisations (includes Health of Older People)
- Chronic Disease Management: Diabetes Mellitus

Quality
- DHB Staff Work-related Injury or Illness Rate

Intersectoral Focus
- Chronic Disease: Risk Reduction: Obesity

GROUP B – National Recommended, but Discretionary Measures (i.e. those that some other DHBs may have in their SOI)

Equity and Access
- Reducing Inequalities

Effectiveness
- Chronic Disease: Cancer: Waiting Times

Quality
- Immunisation Coverage

GROUP C – DHB Specific Measures (i.e. those specific to West Coast DHB)

The West Coast DHB currently utilises the national measures only. DHB-specific Service Performance Measures will be considered as part of our longer term strategic development.

West Coast DHB Summary of Long Term Outcomes							
Long term outcomes District Strategic Plan	**Outcome 1** West Coasters will be as healthy as possible … Physically Active Non Smokers Abstain from recreational drugs and gambling Eat a balanced diet Consume alcohol only in moderation	**Outcome 2** Māori will enjoy the same high health status as non-Māori	**Outcome 3** West Coasters will have affordable and equitable access to services	**Outcome 4** West Coasters will have at least equal access to specialised medical & surgical services as other New Zealanders with similar need	**Outcome 5** There will be a meaningful commitment to the idea 'Children are the future'	**Outcome 6** Collaborate to ensure the physical, social and cultural environments West Coasters live in promote health, inclusion & participation in society & maximise independence of people living with disabilities	**Outcome 7** As West Coasters become older they will have access to services that will help them remain in their own homes for as long as possible, and then to continue to live in or near their communities
Medium term outcomes	Reduce Inequalities	Increase relative investment in Māori health	Closer collaboration between DHB and PHO over primary health services delivery	Improve the Primary/secondary interface	Improve Oral Health.	Improving levels of awareness of the difficulties for people with disabilities	To protect health, independence and interdependence of older people
	Reduce the Incidence and impact of Chronic Conditions	Foster development of Whanau, Hapü, Iwi and Māori communities	Improving the Primary/Secondary interface	Retain Medical and Surgical Services	Improve Nutrition	Improve the ability of the DHB to respond to the needs of employees and patients with disabilities	Identify illness and disability before they worsen
	Improve Health Outcomes for Youth	Increase Māori participation in the health and disability sector	Improve Integration between Primary and Secondary Mental Health Care	Increase clinical and financial viability of Secondary Services	Improve access to Primary Mental Health services for children	Enhance the ability of the sector to respond to and meet the needs of people with disabilities	Ensure older people have a smooth path into and back from specialist services
	Increase physical activity and healthy eating	Encourage initiatives with other sectors that positively affect Whanau Ora.	Improve access to a range of quality Mental Health Services		Improve immunisation coverage	Prevent disabilities caused by disease, illness, accident or injury	

	Improve health outcomes for Long Term Mental Health Service Users		Develop a comprehensive mental health system with an integrated continuum of care across all diagnoses and severities		Improve access to Parenting Support and Education Services		
	Create a Mentally Healthy and Supportive Community				Improve responsiveness to Family Violence, Child Abuse and Neglect		
Health sector strategic inputs – existing/draft detailed plans	Chronic Conditions Management Strategy Cancer Control Strategy *Primary Health Care Plan* *Māori Health Plan* Child Health Plan Youth Health Plan WISE Plan Disability Action Plan Primary Mental Health Plan	*Māori Health Plan*	*Primary Health Care Plan* *Secondary Services Plan* Primary Mental Health Plan	*Secondary Services Plan* Chronic Conditions Management Strategy Cancer Control Strategy WISE Plan	Child Health Plan *Primary Health Care Plan* *Secondary Services Plan*	Disability Action Plan *Primary Health Care Plan* *Secondary Services Plan* Primary Mental Health Plan	WISE Plan *Primary Health Care Plan* *Secondary Services Plan*

6.0 FORECAST SERVICE PERFORMANCE: MEASURES AND STANDARDS

One of the functions of this SOI, and in particular the Performance Measures and Targets and Statement of Forecast Service Performance, as stated in CE Act (s142), is to show how we measure what we do in 2007/08. These measures, targets and standards for the current year will be subject to an annual audit by auditors appointed by the Office of the Auditor General.

Where possible, we have included past performance (baseline data) along with each performance target to give context.

The Performance Measures listed on the following pages include national measures, which are consistent across DHBs, together with local measures and targets.

NON-FINANCIAL MEASURES

Health Targets

As referenced in the Minister's 2007/08 'Letter of Expectations', the 2007/08 year sees the introduction of ten health targets aligned to strategic priorities. One target is to reduce the percentage of the health budget spent on the Ministry and DHBs are not expected to provide direct contribution to achieving this. Two further targets, improving HEHA and improving tobacco control, are health sector targets, but it is expected that DHB activity will support achievement of each target. Seven of the targets form a key part of DHB District Annual Plans, and are aligned with the Statements of Intent (SOI).

DHBs should include supporting information on how the local targets will be achieved for the current year (2007/08), demonstrating the alignment to the DAP.

These targets are supported by the Director General's Performance Assessment and Management steering group, and DHBs' CEOs.

The following are the measures that reflect the Minister's Health Targets for 2007/08. These are:

1. Improving immunisation coverage

The West Coast DHB will work towards the national target of 95 % of two year olds fully immunised.

Year	2007/08	2008/09	2009/10
West Coast DHB Target Māori	70%	76%	82%
West Coast DHB Target NZE	91%	91%	91%
West Coast DHB Target Other	86%	91%	95%
West Coast DHB Target Total	91%	91%	91%

2. Improving oral health

The West Coast DHB will work towards 85% adolescent oral health utilisation.

Year	2007/08	2008/09	2009/10
West Coast DHB Target	70%	75%	80%

3. Improving elective services

The West Coast DHB will maintain compliance in all Elective Services Patient Flow Indicators (ESPIs) and will Monitor SDRs of the 11 target elective procedures to ensure that these are being delivered at national appropriate levels.

Year	2007/08	2008/09	2009/10
West Coast DHB Target	SDRs of 0.95 or above for the 11 procedures	SDRs of 0.95 or above for the 11 procedures	DRs of 0.95 or above for the 11 procedures

4. Reducing cancer waiting times

All patients to wait less than 8 weeks between first specialist assessment and the start of radiation oncology treatment (excluding category D). The DHB acknowledges the Health Target that all patients (100%) are to wait less than 8 weeks between first specialist assessment and the start of radiation oncology treatment and will work with the provider DHB to ensure this target is met. Where the target is in danger of not being met, the DHB will raise the issue with the provider DHB as early as possible in order to work with them to address the issue.

Year	2007/08	2008/09	2009/10
West Coast DHB Target	100%	100%	100%

5. Reducing ambulatory sensitive (avoidable) admissions

The West Coast DHB will work towards the national target of a decline in admissions to hospital that are avoidable or preventable by primary health care for 0-5 year olds and those aged 65 plus across all population groups.

Year	2007/08	2008/09	2009/10
West Coast DHB target: 0-5 year olds	Remain below the national average	Remain below the national average	Remain below the national average
West Coast DHB target: 65+	Remain below the national average	Remain below the national average	Remain below the national average

6. Improving diabetes services

There will be an increase in the percentage of people to improve equity in all population groups in order to meet the following minimum targets:

Year	2007/08	2008/09	2009/10
Estimated to have diabetes, accessing free annual checks	70%	70%	70%

On the diabetes register who have good diabetes management	80%	80%	80%
On the diabetes register who have had retinal screening in the past two years.	90%	90%	90%

7. Improving mental health services

The West Coast DHB will ensure that 100% of long term clients have up to date relapse prevention plans (NMHSS criteria16.4).

Year	2007/08	2008/09	2009/10
West Coast DHB Target	98%	98%	100%

8. Improving nutrition, increase physical activity and reduce obesity

The West Coast DHB will support the HEHA Strategy and reflect the priority population health objective to improve nutrition, increase physical activity and reduce obesity.

The West Coast DHB has invested HEHA initiative funding in improving Breastfeeding rates with a focus on increasing rates among women living in NZDep 8, 9 and 10 areas, young women and Māori women.

West Coast DHB Target	Benchmark 2004/05 Plunket data	2007/08	2008/09	2009/10
6-weeks Māori	37%	50%	60%	70%
6-weeks Total	62%	70%	74%	90%
6-months Māori	21%	25%	27%	30%
6 months Total	20%	25%	27%	30%

9. Reduce the harm caused by tobacco

The West Coast DHB will support reduction in the incidence of New Zealanders becoming addicted smokers and a reduction of the settings where people are exposed to smoking or tobacco products.

The West Coast District Health Board will develop a tobacco control plan for the West Coast Region.

The plan will

- Identify priority groups
- Outline current tobacco control activities
- Consider current expenditure on tobacco control activities
- Identify local initiatives to support the national promotion of smokefree homes and cars
- Reduce initiation among young people,
- Strengthen and enhance access to smoking cessation services

DHB Specific Measures (i.e. those specific to West Coast DHB)

1. Increased Investment in Māori Health

The DHB will continue actively to seek additional funding to improve Māori health and reduce Māori health and disability inequalities as it becomes available, and will work collaboratively with its Iwi partners and other government agencies to achieve this.

West Coast DHB Target	Benchmark	2007/08	2008/09	2009/10
5% growth per year	$1,128,830	1,184,222	1,243,433	1,305,605

2. Improve Child Health

Oral Health

The West Coast has high rates of dental caries and has set a target to increase the number of 5 years olds dental caries free.

West Coast DHB Target	Benchmark 2005	2007/08	2008/09	2009/10
Māori	28%	40%	45%	50%
Other	40%	50%	55%	60%

Improve Hospital Responsiveness to family violence child abuse and neglect

Routine family violence screening implemented in maternity, emergency department, social work and mental health services by the end of 2007/08.

West Coast DHB Target	Benchmark	2007/08	2008/09	2009/10
All Women aged 15+ are routinely screened for family violence	2006 0%	20%	50%	90%
All children presenting with indicators of abuse/violence/neglect screened for family violence	2006 un-auditable	50%	80%	90%

7.0 MANAGING FINANCIAL RESOURCES

The West Coast has the sparsest population in New Zealand (about one tenth of New Zealand's average population density). This impacts health services in a number of ways, increasing transport costs and necessitating the use of a number of small health clinics in order to provide access to health services for such a widely distributed population. Geography (travel distances and the Southern Alps) necessitates the provision of hospital services on the West Coast; however the small population and relative isolation make hospital services dearer (per capita of population) than elsewhere in New Zealand.

The West Coast DHB submitted a breakeven budget in 2006-07, with the inclusion of a number of new efficiency initiatives, which were aimed at offsetting un-funded cost growth. Unfortunately there have been delays in implementation of some of the efficiency initiatives and there have also been recruitment difficulties for a number of key medical roles, necessitating expensive locum arrangements. As a result, the West Coast DHB has been unable to achieve breakeven financial performance in 2006-07 and is unable to budget a breakeven results into the future.

The West Coast DHB believes that the move to population-based funding without addressing the West Coast's unique situation has been one of the most significant issues faced by the DHB. The continued commitment and support of the Ministry of Health is critical in resolving the funding issues created by factors outlined above and by the unique geography and population dynamics faced by the West Coast DHB.

The West Coast DHB notes that the ministry's "West Coast Adjuster" initiative has enabled the creation of an appropriate environment for the development of West Coast specific models of care and service configurations with the real potential to improve both future effectiveness and efficiency of services. There is a very real risk that this momentum will be lost if the DHB's financial performance deteriorates due to matters that are effectively beyond its immediate control before these broader projects are completed.

Key projects in the development and implementation of a sustainable future service configuration for the West Coast include:

- The West Coast Primary Care Plan and associated review of Primary healthcare service structure, policies and procedures
- The West Coast Secondary Care Plan and associated review of Secondary healthcare service configuration and facilities
- Active Collaboration with other South Island DHBs to assist in providing a continuum of primary, secondary and tertiary care services. A number of reconfiguration projects are aimed at improving the ongoing clinical and financial viability of the West Coast DHB

These projects and the service changes brought about by them will help provide a sustainable basis for the ongoing management of the DHB's resources both now and into the future.

7.1 Failure to Achieve Breakeven

There are a number of other key challenges that have impacted on our ability to continue to achieve breakeven, most of which were highlighted as risks in our 2006-07 SOI.

- Initial negotiations around the introduction of the "West Coast Adjuster" led the West Coast DHB to understand that our adjusted level of funding (our previous total funding, plus the West Coast adjuster) would be treated as our new PBF equity level and that we would therefore receive FFT on our funding as though we were at PBF equity. (This expectation is spelt out in our last 2005/06 SOI).
  Contrary to our understanding, our PBF equity position has not been adjusted to include our "PBF transition pool" (the difference between unadjusted PBF and our funding level prior to the introduction of the West Coast Adjuster). In 2006-07 we were not funded for FFT on $13.1M of our base funding, effectively eroding our funding by $384K, relative to other DHBs. However, we were funded FFT on the transition pool in 2007-08. The West Coast DHB's transition pool now totals $18.75M
- The West Coast DHB has faced a number of unbudgeted and unfunded cost increases from second tier bargaining and interpretation issues relating to the pay jolt associated with the NZNO MECA. There have also been flow-on costs from the NZNO MECA, with other employee groups holding out for equivalent increases. The West Coast DHB has actively resisted many of these expectations; however costs of managing industrial relations processes have increased in order to do so
- Delays in exiting Seaview (due to delays in approval of the Dementia unit proposal) have meant that the West Coast DHB will only achieve the planned savings from December 2007 financial year ($250K)
- The Government has changed the Holidays Act, including a change in the minimum annual leave entitlement for all employees, changing from three weeks to four weeks annual leave per annum. This change equates to a 2% cost increase for eligible employees, but will be compounded by increased locum and replacement costs where employees need to be replaced while they are on leave. The financial impact of this change is difficult to predict, as other health providers who are funded by the DHB and contractors or suppliers that supply goods and services to the DHB may seek price increases to offset the impact that this change in legislation will have on them. It is also hard to judge how many of the DHB's staff will be impacted by this change as some staff who already have additional annual leave will want a corresponding increase in their annual leave allocation. Some employees currently receive additional leave as compensation for overtime and additional hours worked that isn't recognised in their existing salary, for example. We currently estimate the impact to be somewhere between $335K and $1880K per annum. The West Coast DHB has not been specifically funded for the impact of this change in government policy, however, we have been advised that the technology adjuster of 0.5% has not been removed from the FFT calculation for 2007-08 (approx $440K) and have used this to offset the holidays act impact in out years of this SOI.
- In 2006-07 our net IDF payments to other DHBs for services provided by them to members of the West Coast population have increased by $1.19M. This increase relates entirely to a change in the national prices paid for services and so is beyond the West Coast DHB's immediate control (the national pricing for tertiary services has been calculated as an average of the costs reported by tertiary DHBs). We cannot provide the same level of analysis for 2007-08 due to the devolution of funding for wage and salary settlements into the IDF prices.

- The West Coast DHB is a party to the ASMS MECA, which was renegotiated to specifically include GPs in the MECA's coverage clause. The West Coast DHB opposed this change at the time, but was persuaded to sign on the understanding that other DHBs would contribute funding to offset the additional costs faced by the West Coast DHB. The West Coast DHB is unlikely to receive this funding from other DHBs $424K.

7.2 Service Changes

The West Coast DHB is planning the following service reconfigurations:

Dementia Services
Although other providers manage clients with mild dementia, when the client's behaviour becomes a risk to themselves or to others they are transferred to the West Coast DHB as the sole provider of specialist dementia assessment, treatment & rehabilitation (AT&R), and dementia continuing care services in the District. Psychogeriatric and dementia services are still provided at Seaview Hospital on the West Coast.

In its 2005-06 District Annual Plan the West Coast DHB outlined its plan for ceasing all service provision on the Seaview site. This was dependent on the development of a purpose-built dementia unit at the Grey Base Hospital site. The plan for this has now been approved and will be implemented over the 2006-07 and 2007/08 financial years, with construction due for completion in November 2007.

Laboratory Services
In its 2006-07 District Annual Plan the West Coast DHB identified Laboratory Services as an area where there may be potential savings through the review of services and rationalisation of providers. The acquisition of Reefton Medical Centre in July 2006 rendered a review of laboratory services unnecessary. Reefton Medical services was a large referrer of community referred lab tests to an external lab provider. The bulk of these referrals are now referred to the West Coast DHBs provider arm's laboratory.

Buller Health
The Buller Health initiative involved the integration of Buller Hospital and Buller Medical Services into one combined service. The initial project involves the alignment of management processes; however it is intended that the reconfiguration of facilities into a more efficient "right sized" configuration follow.

Reefton Health
The Reefton Health initiative involves the integration of Reefton Hospital and Reefton Medical Services into one combined service. The initial project will involve the alignment of management processes; however it is intended that the reconfiguration of facilities into a more efficient "right sized" configuration follow.

Laundry Services
In its 2006-07 District Annual Plan, the West Coast DHB signalled its intention to commercialise its laundry service, targeting the hospitality sector (hotels, motels, etc.), which has similar laundry needs to a hospital. This process has taken significantly longer

than initially anticipated but was initiated late in the 2006-07 financial year. The budget included in this SOI assumes $250K in revenue from this initiative, with $150K of expenditure required in order to achieve this gain.

High Dependency Unit
It has been suggested that the West Coast DHB reconfigure accident and emergency, critical care and paediatrics areas of Greymouth Hospital in order to establish a "high dependency" area for after-hours medical supervision. This project is a response to an urgent area of clinical risk; however there is a chance that there will be some efficiencies generated.

Grey Base Hospital
The West Coast DHB is planning to reconfigure the Grey Base Hospital facilities in order to better suit changing models of care and the changing health needs of the West Coast population. A strategic business case and options analysis is currently being developed for this project; however a significant amount of work is required in order to determine the project's affordability.

Child and Adolescent Oral Health
The West Coast DHB is planning to reconfigure the child (school-based) oral health facilities in order to better suit changing models of care and the health needs of the West Coast population. A business case and options analysis is currently being developed for this project.

Smoking Cessation
The West Coast DHB has been advised that the Ministry of Health will stop funding for our current hospital-based smoking cessation service from 30 June 2007, in favour of a community-based smoking cessation service (aimed at reaching a wider audience). The West Coast DHB plans to change its smoking cessation service in line with this funding change.

7.3 Managing Within Budget

Within the result forecast in this SOI, there are a number of inequities that will cause the DHB to continue to focus on the need to continue to make efficiencies, especially in respect to its provider arm activities.

- The West Coast DHB funder arm will make a considerable surplus this financial year. This surplus will not be used to fund health innovation, due to the need to offset the West Coast DHB provider arm deficit that persists, despite increased Government funding
- This represents a conscious decision by the West Coast DHB to self fund a large portion of its provider arm deficit, foregoing some of the benefits of being a DHB (increased flexibility and autonomy in health funding) in order to do so
- The West Coast DHB does not intend to continue to deny its population this potential for new investment in population health, primary health and mental health initiatives and so will continue to be actively engaged in the search for provider arm efficiencies in order to free up this funding

Some key financial risks have been identified for the 2007-08 financial year. The West Coast DHB is actively managing these risks and advises the following:

- The West Coast DHB is continuing to explore options for increased clinical collaboration with other DHBs. The West Coast DHB is concerned that some DHBs may inflate costs in the expectation that the Minister will require the West Coast to collaborate, regardless of the cost. (Approximate risk $500K to 1,000K per annum – not budgeted in this SOI)
- The West Coast DHB will work with other South Island DHBs to identify and explore all areas with the potential for shared gain through collaboration. If a collaborative initiative would increase the West Coast DHB's operating costs beyond the inflationary expectations budgeted for in this SOI, the West Coast DHB would seek to fund the cost increase by way of a benefit sharing arrangement with the other DHB
- It has been suggested that the West Coast DHB increase the level of medical cover in the accident and emergency, critical care and paediatrics areas at night, whilst also reconfiguring them in order to establish a "high dependency" area for after hours medical supervision. The West Coast DHB has budgeted for increased after-hours medical cover in this SOI to the extent that is considered affordable; however it may not be able to afford all expectations in this area. (Approximate risk $300K per annum – in addition to the costs budgeted in this SOI)
- The Government has changed the Holidays Act, including a change in the minimum annual leave entitlement for all employees, changing from three weeks to four weeks annual leave per annum. As stated earlier, the impact of this change in government policy is difficult to predict. We currently estimate the impact to be somewhere between $335K and $1880K per annum – we have budgeted for $440K. (Approximate risk is $1400K per annum)

7.4 Efficiency Gains

The West Coast DHB continues to look at efficiency gains, both individually and collaboratively with other DHBs.

Efficiency Initiatives currently being implemented by the DHB include:

- The closure of the Seaview Hospital site in Hokitika (no longer owned by the West Coast District Health Board), with services to be re-located to a purpose built dementia unit in Greymouth
- Referred Services Gain Sharing: the funder agreement with the West Coast PHO includes provision of a 50/50 split of any gains bought about through the management of referred services costs (through improvements in prescribing and referral patterns) with the West Coast PHO. The West Coast DHB is actively encouraging PHO members to manage their referral patterns in order to achieve efficiencies in this area
- Patient Charges – Overseas Patients, Meals on Wheels, Other Revenue: over the past 24 months, the West Coast DHB has raised its charges and improved its collection of revenue in a number of areas that are not directly funded by the Ministry of Health. These areas will continue to be an area of focus into the 2007-08 financial year
- Commercialisation of Laundry Services: the budget presented in this SOI assumes that the West Coast DHB commercialises its laundry service, targeting the hospitality sector (hotels, motels, etc.), which has similar laundry needs to a hospital. The budget

specifically assumes that we will sell $250K of laundry services and that $150K of increased staffing costs will be incurred in order to achieve this target

- Reduce Mental Health Sub-Acute Bed Numbers: the West Coast DHB is currently working with mental health residential care providers in order to improve the availability of community-based rehabilitation services on the West Coast. Improving the continuum of care in this way will provide a more appropriate setting for the treatment of some sub-acute mental health patents, reducing demand for inpatient mental health beds (in Greymouth)
- Buller Hospital Reconfiguration: during the 2004-05 year, the West Coast DHB supported the Buller District Council's review of health services in the Buller region. The West Coast DHB's consultation process (required under the NZPHD Act) on the Buller Health Services Report is now complete and the West Coast DHB has now started the implementation of some of the report's recommendations
- High Dependency Unit: it has been suggested that the West Coast DHB reconfigure accident and emergency, critical care and paediatrics in order to establish a "high dependency" area for after hours medical supervision. The primary objective of this process will be to improve clinical effectiveness; however there is a possibility of efficiencies through the co-location of high dependency services and the sharing of existing resources. Reductions in patient transfers and IDF payments may also result
- Collaboration with other DHBs: the West Coast DHB is currently engaged in numerous collaboration initiatives with other DHBs, all aimed at controlling costs and improving services, including:
  - Clinical collaboration with Canterbury DHB (and others), including shared clinical appointments, visiting clinics from Canterbury DHB, clinical supervision of West Coast District Health Board specialists and investigation into options for the outsourcing of some services to Canterbury DHB
  - Patient administration / clinical information systems project with Southland and Otago DHBs (Southern Alliance IT Collaboration Project), including shared evaluation, procurement and administration of patient administration and clinical information systems
  - The South Island Shared telecommunications tender (led by Canterbury DHB)
  - The National Insurance Buying Group
  - The South Island Regional Employment Relations Co-ordinator
  - Shared procurement with Otago, Southland, Nelson Marlborough and Canterbury DHBs. The West Coast DHB participates in some of these
  - National Vehicle Fleet Project

It is anticipated that efficiencies from these initiatives will offset any cost growth from the risks outlined under the "Managing within Budget" section (above), such that the DHB will still manage to achieve SOI target.

7.5 Assumptions

When predicting future financial performance (such as when setting budgets), it is necessary to make a number of assumptions about the state of the economy, the level of funding that the DHB will receive and the amount of pressure on our operating costs. Material assumptions include:

- That the West Coast DHB will continue to receive the $2.8M "West Coast Adjuster" as part of our base revenue in recognition of the unique circumstances that the West Coast DHB faces
- It has been agreed that the West Coast Adjuster will be reviewed from time to time, in order to correct it for changes in the circumstances faced by the West Coast DHB
- That all wage and salary claims that have already been settled will be implemented at the agreed rates without any unplanned impacts from second tier bargaining or debate over interpretation and translation issues
- That all wage and salary claims that have not yet been settled will be settled within the DHB's effective rate of revenue growth, which is limited to 2.1% due to the fact that the 0.5% has been earmarked to fund legislative changes (such as the recent amendments to the Holidays Act) and because the technology adjuster of our FFT funding has been earmarked for investment in new technologies
- This will mean that the West Coast DHB will need to talk other DHBs down to 2.1% as many will be budgeting to pay FFT on MECA negotiations
- That the West Coast DHB will manage to fill any clinical vacancies in a timely manner, thereby reducing the need to incur unplanned locum costs (potential risk $1,000K)
- That the impacts from the change from three to four weeks minimum annual leave requirement, including any parity issues, where people who already receive four weeks annual leave then seek five weeks, and including the impact on organisations that are funded by or act as contractors for the West Coast DHB, will be limited to $440K per annum
- The West Coast DHB is currently exploring options for increased clinical collaboration with other DHBs. We have specifically assumed that the future costs of providing services on the West Coast will be no dearer than the West Coast DHB's current operating costs. One of the keys to successful collaboration will be the ability to attract and retain medical staff on a basis that includes a rotation on the West Coast, at a price that is no greater than the West Coast DHB's current costs for the same specialist staff (after travel and accommodation costs)
- The West Coast DHB has initiated a postgraduate rural GP training program in the 2005-06 financial year. This is a major strategic initiative, which will see the West Coast develop as a centre of excellence for rural health
- That the West Coast DHB will lose early payment (impact $380K), due to our inability to submit a breakeven SOI
- Capital of $3.9M (including FF&E, project management costs and an allowance for escalation costs) will be required for a dementia unit to have patients transferred from Seaview. This will be funded by internal funding $0.4M and capital pool funding of $3.5M (Equity $1.0M, CHFA loan $2.5M)
- That interest rates will remain stable, such that the rate on the CHFA dementia unit loan will cost approximately 6.5% per annum
- The West Coast DHB has budgeted for a further $200K of staffing efficiencies from as yet unspecified changes to clinical practices and models of care
- The Funder Arm of the West Coast DHB has discontinued the payment of some of the premiums and adjusters that have traditionally been paid to the West Coast DHB's Provider Arm. This has resulted in an increased Provider Arm deficit and an increased Funder Arm surplus. The Funder will provide deficit support to the Provider in order to offset the cash flow implication of this accounting adjustment
- That the CHFA will vary the West Coast DHB's banking covenants in order to match the anticipated balance sheet and interest coverage ratios forecast in this SOI

7.6 Business Cases

High Dependency Unit
In its 2006-07 SOI the West Coast DHB signalled an intention to reconfigure accident and emergency, critical care and paediatrics areas of Greymouth Hospital in order to establish a "high dependency" area for after-hours medical supervision. This project is a response to an urgent area of clinical risk; however there is a chance that some efficiencies will be generated. There may also be an option to co-locate medical AT&R services with Grey Hospital's medical ward if the proposed "high dependency ward" is established, which may also provide some efficiency opportunities. Initially this project was signalled as one that might require external funding. The West Coast DHB has fine tuned this project (in light of the proposal to totally reconfigure Greymouth Hospital) and arrived at a temporary reconfiguration that can be funded internally.

CT Scanner
In its 2006-07 SOI the West Coast DHB signalled an intention to replace its current CT scanner with a multi-slice CT. The West Coast DHB will now fund this project internally.

Child and Adolescent Oral Health
School-based dental services are currently run from a number of poorly configured and poorly maintained facilities. The West Coast DHB is planning to upgrade oral health facilities throughout the West Coast, including changes to the mix of mobile and fixed dental clinics. We hope to be able to provide improved access to adolescent oral health consumers at the same time. The estimated capital cost is $2M. The business case for this project is still being prepared – funding for this project has not yet been approved.

Grey Hospital Reconfiguration
Changing demographics, Inter District Flows, narrowing scopes of practice and wage and salary pressure will continue to challenge the financial viability of the West Coast DHB into the foreseeable future. It is obvious that large scale change is required if the West Coast DHB is to survive. Reconfiguration of Greymouth Hospital is the only option that might somehow provide the level of efficiency required. We are currently in the process of analysing the options available (modelling future demand and exploring models of care). Initial estimates suggest a capital cost of $60M, with construction from 2008 to 2011. The business case for this project is still being prepared – funding for this project has not yet been approved.

Buller Hospital Reconfiguration
During the 2004-05 year, the West Coast DHB supported the Buller District Council's review of health services in the Buller region. The West Coast DHB's consultation process (required under the NZPHD Act) on the Buller Health Services Report is now complete and the West Coast DHB has now started the implementation of some of the reports recommendations. Key recommendations included the merger and co-location of Buller Hospital and Buller Medical Services (GP Practice) into one co-ordinated business unit and the reconfiguration or reconstruction of facilities in Buller in order to integrate the two services. Costs of this are unknown at this stage. We have signalled $6.0M as being equity funded in 2008-09. The business case for this project has not yet been prepared – funding for this project has not yet been approved.

7.7 Disposal of Surplus Assets

In the past, the West Coast DHB has disposed of a number of major surplus assets. The DHB's current stock of surplus assets consists mainly of small parcels of land, often with some sort of pre-existing leasehold arrangement. The costs of disposing of these small parcels of land is such that it is currently uneconomic to dispose of them, with the exception of one site.

The West Coast DHB owns a considerable amount of land that is adjacent to the Greymouth Hospital site. Some of this has been declared surplus in the past and it is the DHB's intention to sell this surplus land in order to help fund the proposed reconfiguration or reconstruction of Greymouth Hospital.

It should be noted that some parcels of land may become surplus if the proposed reconfiguration or reconstruction of Greymouth Hospital proceeds as planned. It is the DHB's intention to sell any surplus land in order to help fund the proposed reconfiguration or reconstruction of Greymouth Hospital.

In order to dispose of surplus land, the West Coast DHB must first obtain approval from the Minister of Health. Once approval has been gained, land will then be valued and will be offered to any parties that have a statutory right to receive an offer under the Public Works Act and Ngāi Tahu Settlement Act (and any other relevant legislation) before then being made available for public sale.

7.8 Debt and Equity

The West Coast DHB will require deficit funding (equity) in order to offset the deficit signalled in this SOI.

The Dementia Unit will be funded by a mix of debt ($2.5M ex CHFA), equity ($0.9M) and internal funding ($0.4M) as it is constructed over the 2006-07 financial year. Funding for this project has been approved.

The proposed redevelopment or reconstruction of Greymouth Hospital will be funded by a mix of debt (ex CHFA) and equity, along with some internal funding from disposal of surplus assets. For simplicity, we have assumed $60M of equity funding in this SOI, with construction to commence July 2008. The business case for this project is still being prepared – funding for this project has not yet been approved.

The proposed redevelopment of Buller Hospital will be funded by a mix of debt (ex CHFA) and equity For simplicity, we have assumed $6M of equity funding in this SOI, with construction to commence July 2008. The business case for this project is still being prepared – funding for this project has not yet been approved.

The possible redevelopment of Reefton Hospital will be funded by a mix of debt (ex CHFA) and equity. For simplicity, we have assumed $3M of equity funding in this SOI, with construction to commence July 2008. The business case for this project is still being prepared – funding for this project has not yet been approved.

8.0 FINANCIAL FORECASTS

Key Assumptions

The financial forecasts in this District Annual Plan are based on many assumptions.

However the following assumptions are those which have a degree of risk associated with them:

- That the West Coast DHB has assumed that it will continue to receive the $2.8M "West Coast Adjuster" as additional revenue to reflect the unique circumstances that the West Coast DHB faces
- Wage increases reflect known wage negotiations. Where increases are unknown an increase of 2.1% is assumed (this increase is equivalent to the West Coast DHB's effective funding increase as we haven't been funded for FFT on our PBF transition pool)
- That the West Coast DHB will manage to fill any clinical vacancies in a timely manner, thereby reducing the need to incur unplanned locum costs (potential risk $1,000K)
- Capital of $3.9M (including FF&E) will be required for a dementia unit to have patients transferred from Seaview. This will be funded via Internal Funding $0.4M; Capital Pool $3.5M
- A surplus is planned for the Funder Arm. It has been assumed that the Funder Arm will be able to contribute its surplus as deficit funding to the DHB Provider Arm in 2007-08 and future financial years. Most of this surplus relates to the removal of historical adjuster payments to the West Coast District Health Board Provider Arm performance

Other key assumptions are listed earlier in the financial section of this SOI.

FORECAST STATEMENTS OF FINANCIAL PERFORMANCE FOR THE 3 YEARS ENDING 30 JUNE 2008, 2009 AND 2010 (CONSOLIDATED)

DHB Consolidated
Statement of Financial Performance

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
REVENUE					
PBF Vote Health - Mental Health Ringfence	(9,852)	(10,435)	(10,758)	(10,974)	(11,193)
PBF Vote Health - Funding Package (excluding Mental Health)	(73,703)	(75,619)	(84,619)	(86,311)	(88,038)
PBF Adjustments	-	(2,198)	-	-	-
MOH - Funding Subcontracts	-	-	-	-	-
MOH Devolved Funding	(83,555)	(88,252)	(95,377)	(97,285)	(99,231)
MoH - Personal Health	(502)	(193)	(1,025)	(1,046)	(1,066)
MoH - Mental Health	-	-	(75)	(77)	(78)
MoH - Public Health	-	-	(113)	(115)	(118)
MoH - Disability Support Services	(192)	(372)	(136)	(139)	(141)
MoH - Maori Health	-	(92)	(93)	(95)	(97)
Clinical Training Agency	(222)	(336)	(222)	(226)	(231)
MOH Non-Devolved Contracts (provider arm side contracts)	(916)	(993)	(1,664)	(1,697)	(1,731)
Training Fees and Subsidies	-	-	-	-	-
Accident Insurance	(1,594)	(1,554)	(1,812)	(1,848)	(1,885)
Other Government	(2,605)	(2,600)	(2,973)	(3,032)	(3,093)
NZ Blood Service	-	-	-	-	-
Other Government (not MoH or other DHBs)	(4,199)	(4,154)	(4,785)	(4,881)	(4,978)
Government & Crown Agency Sourced	(88,670)	(93,399)	(101,826)	(103,863)	(105,940)
Patient / Consumer sourced	(2,281)	(2,891)	(2,440)	(2,489)	(2,539)
Other Income	(1,153)	(1,279)	(781)	(797)	(813)
Non-Government & Crown Agency Sourced	(3,434)	(4,170)	(3,221)	(3,285)	(3,351)
Gains on derivatives for SOGS	-	-	-	-	-
Gains on financial assets designated at FVPL	-	-	-	-	-
Interest	(416)	(488)	(300)	(306)	(312)
Gains on Interest rate swaps and options for financial expense	-	-	-	-	-
Gain on sale of Fixed Assets	-	-	-	-	-
Dividends	-	-	-	-	-
General Rents	(146)	(245)	(115)	(117)	(120)
Accommodation Rentals	-	-	-	-	-
Rental Income from Investment Property	-	-	-	-	-
Training Course Fees (non-crown agencies)	-	-	-	-	-
Professional & Consultancy Fees	-	-	-	-	-
Research Grants	-	-	-	-	-
Drug Trial Revenue	-	-	-	-	-
Bequests	-	-	-	-	-
Donations	(10)	(10)	-	-	-
Other Income	(581)	(536)	(366)	(373)	(381)
Cafeteria & Food Sales	-	-	-	-	-
Work Rehabilitation Sales	-	-	-	-	-
Gains on derivatives for financial expense	-	-	-	-	-
Gains on derivatives for non-financial expense	-	-	-	-	-
Total Other Income	(1,153)	(1,279)	(781)	(797)	(813)
	-	-	-	-	-
IDFs - Mental Health Services	-	-	-	-	-
IDFs - All Other (excluding Mental Health)	(1,040)	(1,423)	(1,465)	(1,494)	(1,524)
InterProvider Revenue (Other DHBs)	(84)	-	-	-	-
Inter-DHB & Internal Revenue	(1,124)	(1,423)	(1,465)	(1,494)	(1,524)
Internal Allocation DHB Governance (should be zero)	-	-	-	-	-
Internal Allocation DHB Provider (should be zero)	-	-	-	-	-
REVENUE TOTAL	(93,228)	(98,992)	(106,512)	(108,643)	(110,816)

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
EXPENSES					
Personnel costs					
Medical Personnel	7,450	8,978	9,715	9,909	10,107
Nursing Personnel	15,224	16,643	17,577	17,929	18,287
Allied Health Personnel	8,157	9,162	10,321	10,527	10,738
Support Personnel	1,215	1,339	1,462	1,491	1,521
Management/Administration Personnel	5,372	5,950	6,713	6,847	6,984
Personnel costs Total	37,418	42,072	45,788	46,704	47,638
Outsourced Services					
Medical Personnel	4,489	4,411	4,048	4,129	4,212
Nursing Personnel	162	84	64	65	67
Allied Health Personnel	46	39	51	52	53
Support Personnel	-	-	-	-	-
Management/Administration Personnel	516	514	317	323	330
Outsourced Clinical Services	2,024	2,142	2,223	2,267	2,313
Outsourced Corporate/Governance Services	-	-	-	-	-
Outsourced Funder Services	-	-	-	-	-
DHB Governance & Administration (Should be zero)	-	-	-	-	-
Outsourced Services Total	7,237	7,190	6,703	6,837	6,974
Clinical Supplies					
Treatment Disposables	1,086	1,057	1,178	1,202	1,226
Diagnostic Supplies & Other Clinical Supplies	155	129	52	53	54
Instruments & Equipment	1,169	1,308	1,281	1,307	1,333
Patient Appliances	371	326	346	353	360
Implants and Prostheses	758	813	676	690	703
Pharmaceuticals	1,696	1,320	1,422	1,450	1,479
Other Clinical & Client Costs	691	598	656	669	683
Clinical Supplies Total	5,926	5,551	5,611	5,723	5,838
Infrastructure & Non-Clinical Supplies					
Hotel Services, Laundry & Cleaning	2,900	2,842	2,905	2,963	3,022
Facilities	3,472	3,962	3,780	3,856	3,933
Transport	1,327	1,417	1,470	1,499	1,529
IT Systems & Telecommunications	1,086	1,340	1,630	1,663	1,696
Interest & Financing Charges	1,853	2,413	2,219	2,263	2,309
Professional Fees & Expenses	704	647	727	742	756
Other Operating Expenses	1,920	1,833	1,996	2,036	2,077
Democracy	274	140	341	348	355
Subsidiaries, Joint Ventures & Minority Interests	-	-	-	-	-
Infrastructure & Non-Clinical Supplies Total	13,536	14,594	15,068	15,369	15,677

Personal Health

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
EXPENSES (Payments to Providers)	-	-	-	-	-
Personal Health (to allocate)	3	-	155	158	161
Child and Youth	361	343	153	156	159
Laboratory	374	360	302	308	314
Infertility Treatment Services	-	-	-	-	-
Maternity	-	-	93	95	97
Maternity (Tertiary and Secondary)	-	-	-	-	-
Pregnancy and Parenting Education	-	-	67	68	70
Maternity Payment Schedule	32	28	-	-	-
Neo Natal	-	-	-	-	-
Sexual Health	59	54	39	40	41
Adolescent Dental Benefit	218	162	311	317	324
Dental - Low Income Adult	-	54	-	-	-
Child (School) Dental Services	16	19	30	31	31
Secondary/Tertiary Dental	-	-	-	-	-
Pharmaceuticals	5,790	6,935	6,967	7,106	7,248
Management Referred Services	54	19	21	21	22
General Medical Subsidy	96	137	112	114	117
Primary Practice Services – Capitated	2,687	3,064	4,576	4,668	4,761
Primary Health Care Strategy - CarePlus	-	-	-	-	-
Primary Health Care Strategy - Health Promotion/SIA	-	-	-	-	-
Primary Health Care Strategy - Other	-	-	-	-	-
Practice Nurse Subsidy	25	34	30	31	31
Rural Support for Primary Health Providers	138	397	705	719	733
Immunisation	182	42	164	167	171
Radiology	-	-	-	-	-
Palliative Care	43	86	34	35	35
Meals on Wheels	-	-	-	-	-
Domicilary & District Nursing	-	-	-	-	-
Community based Allied Health	-	-	-	-	-
Chronic Disease Management and Education	109	136	294	300	306
Medical Inpatients	-	-	-	-	-
Medical Outpatients	-	-	-	-	-
Surgical Inpatients	-	-	-	-	-
Surgical Outpatients	-	-	-	-	-
Paediatric Inpatients	-	-	-	-	-
Paediatric Outpatients	17	-	-	-	-
Pacific Peoples' Health	-	-	-	-	-
Emergency Services	-	-	-	-	-
Minor Personal Health Expenditure	140	77	189	193	197
Price Adjusters and Premium	-	-	-	-	-
Travel & Accommodation	248	579	830	847	864
IDF Personal Health - Own DHB Population	10,270	11,086	12,598	12,850	13,107
ACC Acute Service Regulations	-	-	-	-	-
Total Personal Health	20,862	23,612	27,670	28,224	28,788

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
Mental Health					
EXPENSES (Payments to Providers)	-	-	-	-	-
Mental Health (to allocate)	-	(161)	-	-	-
Acute Mental Health Inpatients	-	-	-	-	-
Sub-Acute & Long Term Mental Health Inpatients	-	-	-	-	-
Crisis Respite	-	-	68	69	71
Alcohol & Other Drugs - General	-	-	-	-	-
Alcohol & Other Drugs – Child & Youth Specific	-	-	-	-	-
Methadone	-	-	-	-	-
Dual Diagnosis – Alcohol & Other Drugs	-	-	-	-	-
Dual Diagnosis – MH/ID	-	-	-	-	-
Eating Disorder	-	-	-	-	-
Maternal Mental Health	-	-	-	-	-
Child & Youth Mental Health Services	60	57	65	66	68
Forensic Services	-	-	-	-	-
Kaupapa Maori Mental Health Services - Community	-	-	-	-	-
Kaupapa Maori Mental Health - Residential	-	-	-	-	-
Kaupapa Maori Mental Health - Inpatient	-	-	-	-	-
Mental Health Community Services	-	-	-	-	-
Prison/Court Liaison	-	-	-	-	-
Mental Health Workforce Development	-	-	-	-	-
Day Activity & Work Rehab Services	400	357	425	434	442
Mental Health Funded Services for Older People	-	-	-	-	-
Advocacy/Peer Support - Consumer	-	-	-	-	-
Other Home Based Residential Support	-	-	-	-	-
Advocacy/Peer Support - Families and Whanau	-	-	-	-	-
Community Residential Beds & Services	933	814	939	958	977
Minor Mental Health Expenditure	8	1	183	187	190
Other Mental Health Expenditure	-	-	-	-	-
IDF Mental Health - Own DHB Population	1,068	1,094	805	821	838
Total Mental Health	2,469	2,161	2,485	2,535	2,585
Disability Support Services (HOPS)					
EXPENSES (Payments to Providers)					
Disability Support Services (to allocate)	-	106	-	-	-
AT & R (Assessment, Treatment and Rehabilitation)	1	-	-	-	-
Information and Advisory	-	-	-	-	-
Needs Assessment	-	-	-	-	-
Service Co-ordination	-	-	-	-	-
Regional ID Care Agency	-	-	-	-	-
ID Care Manager	-	-	-	-	-
Home Support	349	592	702	716	730
Carer Support	204	245	228	233	237
Supported Living	-	-	-	-	-
Residential Care: Rest Homes	2,695	2,201	2,693	2,747	2,802
Residential Care: Loans Adjustment	-	-	-	-	-
Residential Care: Community	38	-	84	86	87
Residential Care: Hospitals	2,196	3,188	2,530	2,581	2,632
Ageing in Place	-	-	-	-	-
Kimberley (Levin)	-	-	-	-	-
Braemar (Nelson)	-	-	-	-	-
High & Complex/Compulsory Care	-	-	-	-	-
Environmental Support Services	-	-	95	97	99
Day Programmes	15	16	-	-	-
Expenditure to Attend Treatment - ETAT	-	-	-	-	-
Minor Disability Support Expenditure	-	-	-	-	-
Rehabilitation/Habilitation	-	-	-	-	-
Head Injury Rehabilitation	-	-	-	-	-
Respite Care	33	72	56	57	58
Child Development	-	-	-	-	-
Community Health Services & Support	(3)	-	288	294	300
IDF Disability Support - Own DHB Poplulation	143	669	1,001	1,021	1,041
Specialist Support	-	-	-	-	-
Total Disability Support Services	5,671	7,090	7,677	7,831	7,987

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
Public Health					
EXPENSES (Payments to Providers)					
Alcohol & Drug	-	-	-	-	-
Communicable Diseases	-	-	-	-	-
Food Safety & Quality	-	-	-	-	-
Injury Prevention	-	-	-	-	-
Mental Health	44	-	-	-	-
Screening Programmes	-	-	-	-	-
Nutrition & Physical Activity	38	-	150	153	156
Physical Environment	-	-	-	-	-
Public Health Infrastructure	4	-	-	-	-
Sexual Health	-	-	-	-	-
Social Environments	-	-	-	-	-
Tobacco Control	-	-	-	-	-
Well Child Promotion	180	182	-	-	-
Nicotine Replacement Therapy	-	-	-	-	-
IDF Public Health - Own DHB Population	-	-	-	-	-
Problem Gambling	-	-	-	-	-
Cancer Control	-	-	-	-	-
Meningococcal	-	-	-	-	-
Inequalities	-	-	-	-	-
Public Health (to allocate)	-	-	-	-	-
Total Public Health	266	182	150	153	156
Maori Health					
EXPENSES (Payments to Providers)					
Maori (to allocate)	-	-	-	-	-
Maori Service Development	1	-	-	-	-
Maori Workforce Development	-	-	-	-	-
Rongoa Maori	-	-	-	-	-
Minor Maori Health Expenditure	-	-	-	-	-
IDF Maori Health - Own DHB Population	-	-	-	-	-
Whanau Ora Services	-	-	-	-	-
Total Maori Health	1	-	-	-	-
Internal Allocation (should be zero)	-	-	-	-	-
EXPENSES TOTAL	93,386	102,452	111,152	113,375	115,643
NET RESULTS	158	3,460	4,640	4,733	4,827

FORECAST STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2008, 2009 AND 2010 (CONSOLIDATED)

DHB Consolidated

Statement of Financial Position

	Jun-05 Opening Balance	2005/06 Audited Actual	2006/07 Forecast	2007/08 Plan	2008/09 Plan	2009/10 Plan
Current Assets						
Petty Cash	3	4	4	4	4	4
Bank Account	3,669	5,441	2,381	67	996	2,094
Short Term Investments less than 3 months	3,400	824	3,502	2	2	2
Short Term Investments – Trusts less than 3 months	6	6	6	6	6	6
Prepayments	285	166	170	170	170	170
Accounts Receivable – Control Account	1,284	1,378	752	752	752	752
Provision for Doubtful Debts	(61)	(66)	(69)	(69)	(69)	(69)
Accrued Debtors	4,791	453	1,300	6,387	6,387	6,387
Inventory / Stock	597	601	600	600	600	600
Provision for Obsolete Stock	-	-	-	-	-	-
Assets Held for Sale	205	264	264	264	264	264
Current Assets Total	14,179	9,071	8,910	8,183	9,112	10,210
Non Current Assets						
Land - Owned	1,576	3,675	3,675	3,675	3,675	3,675
Land - Leased	-	-	-	-	-	-
Non Residential Buildings, Improvements & Plant -Owned	20,421	18,809	18,809	23,445	24,145	24,845
Other Equipment - Owned	11,907	12,500	14,000	15,700	16,900	18,100
Other Equipment - Leased	-	-	-	-	-	-
Information Technology - Owned	3,828	5,036	6,337	6,937	7,537	8,137
Motor Vehicles - Owned	639	305	305	401	501	601
Provision Depreciation - Owned Non Residential Buildings	(2,982)	(41)	(1,517)	(3,368)	(5,345)	(7,452)
Provision Depreciation - Owned Other Equipment	(7,083)	(7,701)	(8,609)	(9,509)	(10,432)	(11,377)
Provision Depreciation - Owned Information Technology	(3,403)	(3,590)	(4,095)	(4,695)	(5,310)	(5,940)
Provision Depreciation - Owned Motor Vehicles	(584)	(155)	(191)	(205)	(219)	(234)
WIP	374	1,001	2,340	1,900	1,900	1,900
Long Term Investments (> 12 months)	2	4,265	1,587	1,587	1,587	1,587
Non Current Assets Total	24,695	34,104	32,641	35,868	34,939	33,842
Current Liabilities						
Accounts Payable Control Account	(1,702)	(737)	(787)	(787)	(787)	(787)
Accrued Creditors	(5,038)	(4,922)	(5,600)	(5,600)	(5,600)	(5,600)
Income Received in Advance	(563)	(618)	(314)	(314)	(314)	(314)
Capital Charge Payable	(246)	(185)	(280)	(280)	(280)	(280)
GST Input Tax	(277)	(1,031)	(1,153)	(1,153)	(1,153)	(1,153)
Unclaimed Creditors Monies	(5)	(4)	(6)	(6)	(6)	(6)
Term Loans - Crown (current portion)	(11,195)	-	-	-	-	-
Payroll Control - sub-ledger control	(1,391)	(1,230)	(1,100)	(1,100)	(1,100)	(1,100)
Employee - Other Entitlements Provision	(2,929)	(3,678)	(3,868)	(3,868)	(3,868)	(3,868)
Current Liabilities Total	(23,346)	(12,405)	(13,108)	(13,108)	(13,108)	(13,108)
						-
WORKING CAPITAL	(9,167)	(3,334)	(4,198)	(4,925)	(3,996)	(2,898)
						-
NET FUNDS EMPLOYED	15,528	30,770	28,443	30,943	30,943	30,943

	Jun-05 Opening Balance	2005/06 Audited Actual	2006/07 Forecast	2007/08 Plan	2008/09 Plan	2009/10 Plan
Non-Current Liabilities						-
Long Service Leave – Non-current portion	(266)	(241)	(258)	(258)	(258)	(258)
Retirement Gratuities – Non-current portion	(2,043)	(2,057)	(2,273)	(2,273)	(2,273)	(2,273)
Term Loans – Crown (non-current portion)	-	(11,195)	(11,195)	(13,695)	(13,695)	(13,695)
Restricted Trusts and Special Funds	(6)	(6)	(6)	(6)	(6)	(6)
Non-Current Liabilities Total	(2,315)	(13,499)	(13,732)	(16,232)	(16,232)	(16,232)
						-
Crown Equity						-
Crown Equity	(44,147)	(44,147)	(44,147)	(44,147)	(44,147)	(44,147)
Capital Injections	-	-	(900)	(5,540)	(10,273)	(15,101)
Trust and Special Funds (no restricted use)	(41)	(41)	(41)	(41)	(41)	(41)
Revaluation Reserve - Land	(8,552)	(12,768)	(12,768)	(12,768)	(12,768)	(12,768)
Retained Earnings - DHB Provider	42,981	47,093	56,014	67,057	78,321	89,810
Retained Earnings - DHB Governance & Funding Administ	(400)	(482)	(533)	(340)	(143)	58
Retained Earnings - DHB Funds	(3,054)	(6,926)	(12,336)	(18,932)	(25,659)	(32,521)
Crown Equity Total	(13,213)	(17,271)	(14,711)	(14,711)	(14,711)	(14,711)
						-
NET FUNDS EMPLOYED	(15,528)	(30,770)	(28,443)	(30,943)	(30,943)	(30,943)
						-
						-
						-
Statement of Movement in Equity						-
Total equity at beginning of the period	-	(13,213)	(17,271)	(14,711)	(14,711)	(14,711)
Net Results for the period - DHB Governance & Funding A	-	(82)	(51)	193	197	201
Net Results for the period - DHB Provider	-	4,112	8,921	11,043	11,264	11,489
Net Results for the period - DHB Funds	-	(3,872)	(5,410)	(6,596)	(6,728)	(6,862)
Movement in Revaluation Reserve	-	(4,216)	-	-	-	-
Equity Injections - Capital	-	-	(900)	-	-	-
Equity Injections - Deficit Support	-	-	-	(4,640)	(4,733)	(4,828)
Total Equity at end of the period	(13,213)	(17,271)	(14,711)	(14,711)	(14,711)	(14,711)
						-

FORECAST STATEMENT OF CASHFLOWS FOR THE 3 YEARS ENDING 30 JUNE 2008, 2009 AND 2010 (CONSOLIDATED)

	Jun-05 Opening Balance	2005/06 Audited Actual	2006/07 Forecast	2007/08 Plan	2008/09 Plan	2009/10 Plan
Statement of Cashflows						
Operating Activities						
Government and Crown Agency Revenue Received		90,262	90,546	93,419	100,477	102,486
Receipts from Other DHBs		84	-	-	-	-
Receipts from Other Government Sources		4,199	4,154	4,785	4,881	4,978
Rental Income from Investment Property		-	-	-	-	-
Rental Income Other		146	245	115	117	120
Other Revenue Received		2,425	3,063	2,806	2,862	2,919
Total Receipts		97,116	98,008	101,125	108,337	110,503
Payments for Personnel		(36,841)	(41,779)	(45,788)	(46,704)	(47,638)
Payments for Supplies		(23,427)	(21,860)	(21,972)	(22,320)	(22,710)
Interest Paid		(506)	(719)	(869)	(903)	(904)
Capital Charge Paid		(1,166)	(1,035)	(1,177)	(1,177)	(1,177)
GST Input Tax		754	122	-	-	-
Payments to other DHB's		(12,604)	(13,748)	(15,194)	(15,498)	(15,808)
Payments to Providers		(16,665)	(19,297)	(22,788)	(23,244)	(23,709)
Total Payments		(90,455)	(98,316)	(107,787)	(109,846)	(111,946)
Net Cashflow from Operating		6,661	(308)	(6,662)	(1,510)	(1,442)
Investing Activities						
Interest receipts 3rd Party		416	488	300	306	312
		416	488	300	306	312
Sale of Fixed Assets		19	-	-	-	-
Capital Expenditure						
Buildings & Plant		(656)	(2,340)	(4,196)	(700)	(700)
Clinical Equipment		(902)	(1,000)	-	-	-
Other Equipment		-	(500)	(1,700)	(1,200)	(1,200)
Information Technology		(1,965)	(300)	(600)	(600)	(600)
Motor Vehicles		(113)	-	(96)	(100)	(100)
Total Capital Expenditure		(3,636)	(4,140)	(6,592)	(2,600)	(2,600)
Increase in Investments and Restricted & Trust Funds Assets		(1,687)	-	3,500	-	-
Net Cashflow from Investing		(4,888)	(3,652)	(3,092)	(2,294)	(2,288)
Financing Activities						
Equity Injections - Capital		-	900	-	-	-
Equity Injections - Deficit Support		-	-	4,640	4,733	4,828
New Debt		-	-	-	-	-
Private Sector		-	-	-	-	-
CHFA		-	-	2,500	-	-
Net Cashflow from Financing		-	900	7,140	4,732	4,828
Total Cash In		97,551	99,396	108,566	113,376	115,643
Total Cash Out		(95,778)	(102,456)	(110,879)	(112,447)	(114,546)
Net Cashflow						
Plus: Cash (Opening)	-	3,672	5,445	2,385	71	1,000
Cash (Closing)	3,672	5,445	2,385	71	1,000	2,098
Carry forward check						
Closing Cash made up of:						
Balance Sheet Cash	3,672	5,445	2,385	71	1,000	2,098
Total Cashflow Cash (Closing)	3,672	5,445	2,385	71	1,000	2,098

FORECAST STATEMENTS OF FINANCIAL PERFORMANCE FOR THE 3 YEARS ENDING 30 JUNE 2008, 2009 AND 2010 GOVERNANCE ONLY (AS INCLUDED IN THE CONSOLIDATED REPORT ABOVE)

DHB Governance & Funding Administration Statement of Financial Performance	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
REVENUE					
Government and Crown Agency sourced					
Internal revenue (DHB Fund to DHB Governance & Funding Administration)	(1,032)	(1,102)	(1,125)	(1,148)	(1,170)
InterProvider Revenue (Other DHBs)	-	-	-	-	-
Other Government	-	-	(173)	(176)	(180)
Government & Crown Agency Sourced	(1,032)	(1,102)	(1,298)	(1,324)	(1,350)
Other Income	(11)	-	-	-	-
REVENUE TOTAL	(1,043)	(1,102)	(1,298)	(1,324)	(1,350)
EXPENSES					
Personnel costs	-	-	-	-	-
Medical Personnel	-	-	81	83	84
Nursing Personnel	-	-	-	-	-
Allied Health Personnel	-	-	-	-	-
Support Personnel	-	-	-	-	-
Management/Administration Personnel	971	1,148	1,288	1,314	1,340
Personnel costs Total	971	1,148	1,369	1,396	1,424
Outsourced Services					
Medical Personnel	-	-	-	-	-
Allied Health Personnel	-	-	-	-	-
Support Personnel	-	-	-	-	-
Management/Administration Personnel	268	152	234	239	243
Outsourced Corporate/Governance Services	-	-	-	-	-
Outsourced Funder Services	-	-	-	-	-
Outsourced Services Total	268	152	234	239	243
Clinical Supplies					
Instruments & Equipment	-	-	-	-	-
Other Clinical & Client Costs	-	-	-	-	-
Clinical Supplies Total	-	-	-	-	-
Infrastructure & Non-Clinical Supplies					
Hotel Services, Laundry & Cleaning	11	17	12	12	12
Facilities	2	2	1	1	1
Transport	72	71	86	88	89
IT Systems & Telecommunications	4	9	12	12	12
Interest & Financing Charges	11	14	14	14	15
Professional Fees & Expenses	207	254	258	263	268
Other Operating Expenses	134	180	156	159	162
Democracy	217	140	286	292	298
Subsidiaries, Joint Ventures & Minority Interests	-	-	-	-	-
Infrastructure & Non-Clinical Supplies Total	658	687	824	840	857
Internal Allocations					
Internal Allocation from/to DHB Provider	(936)	(936)	(936)	(955)	(974)
Internal Allocations Total	(936)	(936)	(936)	(955)	(974)
		-			
EXPENSES TOTAL	961	1,051	1,491	1,521	1,551
NET RESULTS	(82)	(51)	193	197	201

FORECAST STATEMENTS OF FINANCIAL PERFORMANCE FOR THE 3 YEARS ENDING 30 JUNE 2008, 2009 AND 2010 PROVIDER ONLY (AS INCLUDED IN THE CONSOLIDATED REPORT ABOVE)

DHB Provider
Statement of Financial Performance

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
REVENUE					
MoH - Personal Health	(502)	(193)	(1,025)	(1,046)	(1,066)
MoH - Mental Health	-	-	(75)	(77)	(78)
MoH - Public Health	-	-	(113)	(115)	(118)
MoH - Disability Support Services	(192)	(372)	(136)	(139)	(141)
MoH - Maori Health	-	(92)	(93)	(95)	(97)
Clinical Training Agency	(222)	(336)	(222)	(226)	(231)
MOH Non-Devolved Contracts (provider arm side contracts)	(916)	(993)	(1,664)	(1,697)	(1,731)
Training Fees and Subsidies	-	-	-	-	-
Accident Insurance	(1,594)	(1,554)	(1,812)	(1,848)	(1,885)
Other Government	(2,605)	(2,600)	(2,800)	(2,856)	(2,913)
NZ Blood Service	-	-	-	-	-
Other Government (not MoH or other DHBs)	(4,199)	(4,154)	(4,612)	(4,704)	(4,798)
Government & Crown Agency Sourced	(5,115)	(5,147)	(6,276)	(6,402)	(6,530)
Patient / Consumer sourced	(2,281)	(2,891)	(2,440)	(2,489)	(2,539)
Other Income	(695)	(879)	(781)	(797)	(813)
Non-Government & Crown Agency Sourced	(2,976)	(3,770)	(3,221)	(3,285)	(3,351)
InterProvider Revenue (Other DHBs)	(84)	-	-	-	-
Internal Revenue (DHB Fund to DHB Provider)	(50,869)	(50,518)	(51,139)	(52,162)	(53,205)
Inter-DHB & Internal Revenue	(50,953)	(50,518)	(51,139)	(52,162)	(53,205)
REVENUE TOTAL	(59,044)	(59,435)	(60,636)	(61,849)	(63,086)
EXPENDITURE					
Personnel costs	-	-	-	-	-
Medical Personnel	7,450	8,978	9,634	9,827	10,023
Nursing Personnel	15,224	16,643	17,577	17,929	18,287
Allied Health Personnel	8,157	9,162	10,321	10,527	10,738
Support Personnel	1,215	1,339	1,462	1,491	1,521
Management/Administration Personnel	4,401	4,802	5,425	5,534	5,644
Personnel costs Total	36,447	40,924	44,419	45,307	46,214
Outsourced Services					
Medical Personnel	4,489	4,411	4,048	4,129	4,212
Nursing Personnel	162	84	64	65	67
Allied Health Personnel	46	39	51	52	53
Support Personnel	-	-	-	-	-
Management/Administration Personnel	248	362	83	85	86
Outsourced Clinical Services	2,024	2,142	2,223	2,267	2,313
Outsourced Corporate/Governance Services	-	-	-	-	-
Outsourced Services Total	6,969	7,038	6,469	6,598	6,730

DHB Provider

Statement of Financial Performance

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
Clinical Supplies					
Treatment Disposables	1,086	1,057	1,178	1,202	1,226
Diagnostic Supplies & Other Clinical Supplies	155	129	52	53	54
Instruments & Equipment	1,169	1,308	1,281	1,307	1,333
Patient Appliances	371	326	346	353	360
Implants and Prostheses	758	813	676	690	703
Pharmaceuticals	1,696	1,320	1,422	1,450	1,479
Other Clinical & Client Costs	691	598	656	669	683
Clinical Supplies Total	5,926	5,551	5,611	5,723	5,838
Infrastructure & Non-Clinical Supplies					
Hotel Services, Laundry & Cleaning	2,889	2,825	2,894	2,951	3,010
Facilities	3,470	3,960	3,779	3,855	3,932
Transport	1,255	1,346	1,384	1,412	1,440
IT Systems & Telecommunications	1,082	1,331	1,619	1,651	1,684
Interest & Financing Charges	1,842	2,399	2,205	2,249	2,294
Professional Fees & Expenses	497	393	469	478	488
Other Operating Expenses	1,786	1,653	1,840	1,877	1,914
Democracy	57	-	55	56	57
Subsidiaries, Joint Ventures & Minority Interests	-	-	-	-	-
Infrastructure & Non-Clinical Supplies Total	12,878	13,907	14,244	14,529	14,819
Internal Allocations					
Internal Allocation from/to DHB Governance & Administration	936	936	936	955	974
Internal Allocations Total	936	936	936	955	974
EXPENSES TOTAL	63,156	68,356	71,679	73,113	74,575
NET RESULTS	4,112	8,921	11,043	11,264	11,489

FORECAST STATEMENTS OF FINANCIAL PERFORMANCE FOR THE 3 YEARS ENDING 30 JUNE 2007, 2008 AND 2009 FUNDER ONLY (AS INCLUDED IN THE CONSOLIDATED REPORT ABOVE)

DHB Funder
Statement of Financial Performance

REVENUE

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
PBF Vote Health - Mental Health Ringfence	(9,852)	(10,435)	(10,758)	(10,974)	(11,193)
PBF Vote Health - Funding Package (excluding Mental Health	(73,703)	(75,619)	(84,619)	(86,311)	(88,038)
PBF Adjustments	-	(2,198)	-	-	-
MOH - Funding Subcontracts	-	-	-	-	-
MOH Devolved Funding	(83,555)	(88,252)	(95,377)	(97,285)	(99,231)
Other Income	(447)	(400)	-	-	-
Non Government & Crown Agency Revenue	(447)	(400)	-	-	-
IDFs - Mental Health Services	-	-	-	-	-
IDFs - All Other (excluding Mental Health)	(1,040)	(1,423)	(1,465)	(1,494)	(1,524)
Inter-DHB and Internal Revenue	(1,040)	(1,423)	(1,465)	(1,494)	(1,524)
REVENUE TOTAL	(85,042)	(90,075)	(96,842)	(98,779)	(100,755)

EXPENDITURE

Personal Health

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
EXPENSES (Payments to Providers)					
Personal Health (to allocate)	563	663	5,036	5,137	5,239
Child and Youth	649	640	459	468	477
Laboratory	1,128	1,060	1,142	1,165	1,188
Infertility Treatment Services	-	-	-	-	-
Maternity	-	76	656	669	682
Maternity (Tertiary and Secondary)	1,289	1,136	1,100	1,122	1,144
Pregnancy and Parenting Education	20	24	90	92	93
Maternity Payment Schedule	32	28	-	-	-
Neo Natal	188	193	224	229	233
Sexual Health	157	156	148	151	154
Adolescent Dental Benefit	218	162	311	317	324
Dental - Low Income Adult	-	54	-	-	-
Child (School) Dental Services	356	359	424	433	442
Secondary/Tertiary Dental	112	124	147	150	153
Pharmaceuticals	6,221	6,951	7,053	7,194	7,338
Management Referred Services	54	19	21	21	22
General Medical Subsidy	117	137	112	114	117
Primary Practice Services – Capitated	3,426	3,903	5,420	5,529	5,639
Primary Health Care Strategy - CarePlus	-	-	-	-	-
Primary Health Care Strategy - Health Promotion/SIA	-	-	-	-	-
Primary Health Care Strategy - Other	-	-	-	-	-
Practice Nurse Subsidy	25	34	30	31	31
Rural Support for Primary Health Providers	240	397	705	719	733
Immunisation	239	42	192	196	200
Radiology	-	-	-	-	-
Palliative Care	121	196	174	177	181
Meals on Wheels	192	165	151	154	157
Domicilary & District Nursing	1,488	1,833	2,013	2,053	2,094
Community based Allied Health	1,042	1,640	1,741	1,776	1,811
Chronic Disease Management and Education	312	316	581	593	605
Medical Inpatients	4,258	4,394	5,205	5,309	5,415
Medical Outpatients	777	1,164	1,442	1,471	1,500
Surgical Inpatients	3,351	3,607	4,365	4,453	4,542
Surgical Outpatients	3,959	5,237	6,588	6,720	6,854
Paediatric Inpatients	315	583	486	496	506
Paediatric Outpatients	162	226	245	250	255
Pacific Peoples' Health	-	-	-	-	-
Emergency Services	1,680	1,760	1,859	1,896	1,934
Minor Personal Health Expenditure	214	408	587	599	611
Price Adjusters and Premium	15,553	10,326	1,094	1,115	1,138
Travel & Accommodation	248	579	830	847	864
IDF Personal Health - Own DHB Population	10,270	11,086	12,598	12,850	13,107
ACC Acute Service Regulations	-	-	-	-	-
TOTAL PAYMENTS TO PERSONAL HEALTH PROVIDERS	58,976	59,678	63,230	64,494	65,784

Mental Health

	Audited Actual	Forecast	Budget	Budget	Budget
EXPENSES (Payments to Providers)					
Mental Health (to allocate)	132	689	1,668	1,702	1,736
Acute Mental Health Inpatients	1,668	1,711	1,761	1,797	1,833
Sub-Acute & Long Term Mental Health Inpatients	672	690	711	726	740
Crisis Respite	61	66	68	69	71
Alcohol & Other Drugs - General	409	603	434	443	451
Alcohol & Other Drugs – Child & Youth Specific	108	140	145	147	150
Methadone	108	110	114	116	118
Dual Diagnosis – Alcohol & Other Drugs	-	-	-	-	-
Dual Diagnosis – MH/ID	-	-	-	-	-
Eating Disorder	-	-	-	-	-
Maternal Mental Health	-	-	-	-	-
Child & Youth Mental Health Services	720	732	770	786	801
Forensic Services	-	-	-	-	-
Kaupapa Maori Mental Health Services - Community	324	294	327	333	340
Kaupapa Maori Mental Health - Residential	-	-	-	-	-
Kaupapa Maori Mental Health - Inpatient	-	-	-	-	-
Mental Health Community Services	2,833	2,920	3,250	3,315	3,381
Prison/Court Liaison	-	-	-	-	-
Mental Health Workforce Development	-	-	-	-	-
Day Activity & Work Rehab Services	400	357	425	434	442
Mental Health Funded Services for Older People	-	-	-	-	-
Advocacy/Peer Support - Consumer	96	101	120	122	125
Other Home Based Residential Support	-	-	-	-	-
Advocacy/Peer Support - Families and Whanau	71	67	80	82	83
Community Residential Beds & Services	933	814	939	958	977
Minor Mental Health Expenditure	46	43	226	230	235
Other Mental Health Expenditure	-	-	-	-	-
IDF Mental Health - Own DHB Population	1,068	1,094	805	821	838
TOTAL PAYMENTS TO MENTAL HEALTH PROVIDERS	9,649	10,430	11,843	12,080	12,321

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
Disability Support Services					
EXPENSES (Payments to Providers)					
Disability Support Services (to allocate)	-	106	-	-	-
AT & R (Assessment, Treatment and Rehabilitation)	1,302	1,990	2,183	2,227	2,272
Information and Advisory	-	-	-	-	-
Needs Assessment	33	60	47	48	49
Service Co-ordination	51	68	52	53	54
Regional ID Care Agency	-	-	-	-	-
ID Care Manager	-	-	-	-	-
Home Support	1,494	1,822	1,920	1,958	1,998
Carer Support	204	319	228	233	237
Supported Living	60	61	61	63	64
Residential Care: Rest Homes	3,489	2,878	3,428	3,497	3,566
Residential Care: Loans Adjustment	-	-	-	-	-
Residential Care: Community	38	-	84	86	87
Residential Care: Hospitals	4,042	4,871	4,299	4,385	4,473
Ageing in Place	-	-	-	-	-
Kimberley (Levin)	-	-	-	-	-
Braemar (Nelson)	-	-	-	-	-
High & Complex/Compulsory Care	-	-	-	-	-
Environmental Support Services	144	54	95	97	99
Day Programmes	15	16	-	-	-
Expenditure to Attend Treatment - ETAT	-	-	-	-	-
Minor Disability Support Expenditure	-	-	-	-	-
Rehabilitation/Habilitation	-	-	-	-	-
Head Injury Rehabilitation	-	-	-	-	-
Respite Care	33	72	56	57	58
Child Development	-	92	-	-	-
Community Health Services & Support	198	194	445	454	463
IDF Disability Support - Own DHB Poplulation	143	669	1,001	1,021	1,041
Specialist Support	-	-	-	-	-
TOTAL PAYMENTS TO DSS PROVIDERS	11,246	13,273	13,899	14,177	14,461
Public Health	-	-	-	-	-
EXPENSES (Payments to Providers)	-	-	-	-	-
Alcohol & Drug	-	-	-	-	-
Communicable Diseases	-	-	-	-	-
Food Safety & Quality	-	-	-	-	-
Injury Prevention	-	-	-	-	-
Mental Health	44	-	-	-	-
Screening Programmes	-	-	-	-	-
Nutrition & Physical Activity	38	-	150	153	156
Physical Environment	-	-	-	-	-
Public Health Infrastructure	4	-	-	-	-
Sexual Health	-	-	-	-	-
Social Environments	-	-	-	-	-
Tobacco Control	-	-	-	-	-
Well Child Promotion	180	182	-	-	-
Nicotine Replacement Therapy	-	-	-	-	-
IDF Public Health - Own DHB Population	-	-	-	-	-
Problem Gambling	-	-	-	-	-
Cancer Control	-	-	-	-	-
Meningococcal	-	-	-	-	-
Inequalities	-	-	-	-	-
Public Health (to allocate)	-	-	-	-	-
TOTAL PAYMENTS TO PUBLIC HEALTH PROVIDERS	266	182	150	153	156

	2005/06 Audited Actual	2006/07 Forecast	2007/08 Budget	2008/09 Budget	2009/10 Budget
Maori Health					
EXPENSES (Payments to Providers)					
Maori (to allocate)	-	-	-	-	-
Maori Service Development	1	-	-	-	-
Maori Workforce Development	-	-	-	-	-
Rongoa Maori	-	-	-	-	-
Minor Maori Health Expenditure	-	-	-	-	-
IDF Maori Health - Own DHB Population	-	-	-	-	-
Whanau Ora Services	-	-	-	-	-
	-	-	-	-	-
TOTAL PAYMENTS TO MAORI HEALTH PROVIDERS	1	-	-	-	-
Governance & Administration					
DHB Governance & Administration	1,032	1,102	1,125	1,148	1,170
EXPENSES TOTAL	81,170	84,665	90,247	92,052	93,893
Summary of Results (showing IDFs)					
Subtotal IDF Revenue	(1,040)	(1,423)	(1,465)	(1,494)	(1,524)
Subtotal all other Revenue	(84,002)	(88,652)	(95,377)	(97,285)	(99,231)
REVENUE TOTAL	(85,042)	(90,075)	(96,842)	(98,779)	(100,755)
Subtotal IDF Expenditure	11,481	12,849	14,404	14,692	14,986
Subtotal all other Expenditure	69,689	71,816	75,842	77,359	78,907
EXPENSES TOTAL	81,170	84,665	90,247	92,052	93,893
NET RESULT	(3,872)	(5,410)	(6,596)	(6,728)	(6,862)

DETAILS OF LOAN FINANCING FACILITIES

West Coast District Health Board Debt Register

Lender's name	CHFA	CHFA	CHFA	BNZ
Loan Identified As	Renewal	Renewal	Dementia Unit	Overdraft
Debt Amount - face value	$7,695,000	$3,500,000	$2,500,000	$3,600,000
Instrument type	Term Loan	Term Loan	Amortising Loan	Overdraft
Fixed / Floating interest rate	Fixed	Fixed	Fixed	Floating
Fixed rate	6.11%	6.31%	Undrawn	
Floating rate base and margin				BKBM+0.225%
Interest payment frequency	Quarterly	Quarterly	Quarterly	Daily
Covenants (Debt to Debt + Equity ratio)	55%	55%	55%	65%
Covenants (Interest Cover EBID)	1.3x	1.3x	1.3x	
Next Payment Due				
When	31/10/10	31/10/07		any time
How much	$7,695,000	$3,500,000		any amount
Next Rollover / Refinance Due				
When	31/10/10	31/10/07		
How much	$7,695,000	$3,500,000		
Plan	Refinance CHFA 5 year renewal	Refinance CHFA 2-5 year renewal		

It should be noted that the West Coast DHB's forecast financial performance (deficits) will put it outside of the interest coverage covenants on the CHFA loans. The West Coast DHB has had some preliminary discussions with the CHFA about this and expects that the CHFA will vary the West Coast DHB's loan covenants to match the West Coast DHB's forecasted performance, but that the original covenants will be reinstated when the West Coast DHBs long term finding is finalised with the Ministry of Health.

Information Flows

In line with legislation, the West Coast DHB will make available to the responsible Ministers and their agents, the following documents and information, as is necessary to enable an informed assessment of the entity including a comparison of the performance of the entity with this District Annual Plan:

- Provision of performance measures required by Ministry of Health (MOH) as part of their performance-monitoring regime.
- Monthly reporting of financial information to MOH as part of their performance-monitoring regime.
- Any other information that would normally be requested by an owner or funder of services provided by the West Coast DHB.

Activities for Which Compensation Is Sought

No compensation is sought for activities sought by the Crown in accordance with Section 41D of the Public Finance Act.

Disposal Of Land

The West Coast DHB's policy is that it will not dispose of any estate or interest in any land without having first obtained the consent of the responsible Minister and completed the required consultation. Once approval has been gained, land will then be valued and will be offered to any parties that have a statutory right to receive an offer under the Public Works Act and Ngāi Tahu Settlement Act (and any other relevant legislation) before then being made available for public sale.

Acquisition Of Shares

Before the West Coast DHB or any associate or subsidiary subscribes for, purchases, or otherwise acquires shares in any company or other organisation, the board will consult the responsible Minister and obtain approval.

Statement of Accounting Policies

The West Coast DHB will adopt the following accounting policies consistently during the year and apply these policies for the Annual Accounts. In accordance with the Institute of Chartered Accountants of New Zealand Financial Reporting Standard 29, the following information is provided in respect of the District Annual Plan:

(i) Cautionary Note

The District Annual Plan's financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(ii) Nature of Prospective Information

The financial information presented consists of forecasts which have been prepared on the basis of best estimate assumptions as to future events that the West Coast DHB expects to take place.

(iii) Assumptions

The principal assumptions underlying the forecast are noted in earlier in this section. These assumptions were valid as at May 2006, the date this document was drafted.

Reporting Entity

The West Coast DHB (WCDHB) is a Health Board established by the New Zealand Public Health and Disability Act 2000. The West Coast DHB is a Crown Entity in terms of the Crown Entities Act 2004, owned by the Crown and domiciled in New Zealand.
The West Coast 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.

The West Coast DHB is a public benefit entity, as defined under NZIAS 1.
The West Coast DHB's activities involve the funding, planning and delivering of health and disability services and mental health services in a variety of ways to the community.
The financial statements of the West Coast DHB have been prepared in accordance with the requirements of the New Zealand Public Health & Disability Act 2000, Public Finance Act 1989 and Crown Entities Act 2004.

Statement of Compliance

The prospective financial statements of the West Coast DHB have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These are the West Coast DHB's first NZIFRS financial statements and NZIFRS 1 has been applied. An explanation of how the NZIFRS has affected the reported financial statements and financial performance of the West Coast DHB is provided in note xx .

Basis of Preparation
The financial statements are presented in New Zealand Dollars (NZD), rounded to the nearest thousand. The financial statements have been prepared on the historical cost basis, modified by the revaluation of land and buildings.
The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 01 July 2007 for the purposes of the transition to NZ IFRS.

Change in Accounting Policies
The West Coast DHB has changed its policies on 1 July 2007 to comply with NZ IFRS. The transition to NZ IFRS is accounted for in accordance with NZ IFRS-1 'First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards' with 1 July 2006 as the date of transition.

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

Taxation
The West Coast DHB is a public authority under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under section CB3 of the Income Tax Act 1994.

Trust and Bequest Funds
Donations and bequests to West Coast DHB are recognised as revenue when control over assets is obtained. A liability, rather than revenue, is recognised where fulfilment of any restrictions is not probable. Those donations and bequests with restrictive conditions are appropriated from retained earnings to the Trust Funds component of Equity. When expenditure is subsequently incurred in respect of these funds it is recognised in the Statement of Financial Performance and an equivalent amount is transferred from the Trust Funds component of Equity to Retained Earnings.

Trade 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. Cost is principally determined on a weighted average cost basis. Full provision has been made for all defective and obsolete stocks.

Cash and Cash Equivalents
Cash and cash equivalents comprises cash balances, call deposits and deposits with a maturity of no more than three months from date of acquisition. Bank overdrafts that are

repayable on demand and form an integral part of the West Coast DHB's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Impairment
The carrying amounts in the West Coast DHB's assets other than inventories 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

Investments
Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the statement of financial performance.
Other financial instruments held by the West Coast DHB are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity.
Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the statement of financial performance.

Assets Classified as Held for Sale
Non Current Assets classified as held for sale are measured at the lower of cost and fair value, less cost to sell, and are not amortised ore depreciated.

Property, Plant and Equipment
Under section 95(3) of the New Zealand Public Health and Disability Act 2000, the assets of Coast Health Care Limited (a Hospital and Health Service) were vested in the West Coast DHB on 1 January 2001. Accordingly, assets were transferred to the West Coast DHB at their net book values as recorded in the books of the Hospital and Health Service. In effecting this transfer, the 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.

Property, Plant and Equipment Acquired Since the Establishment of the District Health Board
Assets, other than land and buildings, acquired by the Board since its establishment, and other than those vested from the Hospital and Health Service, are recorded at cost less accumulated depreciation. Cost includes all appropriate costs of acquisitions and installation including materials, labour, direct overheads, financing and transport costs.

Revaluation of Land and Buildings
Land and buildings are revalued every three years to their fair value as determined by an independent registered valuer. Additions between revaluations are recorded at cost. The results of revaluing land and buildings are credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the asset revaluation reserve, the debit balance will be expensed in the statement of financial performance. The next revaluation is scheduled for 30 June 2009.

Disposal of Property, Plant and Equipment
When an item of property, plant and equipment is disposed of, any gain or loss is recognised in the Statement of Financial Performance and is calculated at the difference between the net sale price and the carrying value of the asset.

Depreciation
Depreciation is provided on a straight-line basis on all assets with a cost or valuation above $2000, at rates, which will write off the cost (or revaluation) of the assets to their estimated residual values over their useful lives. Assets below $2000 are written off in the month of purchase. The estimated useful lives of major classes of assets are as follows:

	Years
Freehold Buildings	5 – 50
Fit Out Plant & Equipment	5 – 50
Plant and Equipment	2 – 20
Motor Vehicles	3 – 5

Capital work in progress is not depreciated. The total cost of a project is transferred to buildings and/or equipment on its completion and then depreciated.

Intangible Assets
Intangible assets that are acquired by the West Coast DHB are stated at cost less accumulated amortisation and impairment losses.
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.

Employee Entitlements

Superannuation Schemes

Defined Contribution Schemes
Obligations for contributions to defined contribution schemes are recognised as an expense in the statement of financial performance as incurred.

Defined Benefit Schemes
The West Coast DHB belongs to the National Provident Fund, which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefits scheme.
Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which a surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is accounted for as a defined contribution scheme.

Long Service Leave and Retirement Gratuities
Entitlements that are payable beyond 12 months, are calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, year's entitlement the likelihood that staff will reach a point of entitlement and contractual entitlements information. The obligation is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at balance sheet date.

Sabbatical Leave
West Coast DHB's obligation payable beyond 12 months that has been calculated on entitlements accruing to staff, based on years of service, years of entitlement and the likelihood that staff will reach the point of entitlement and contractual obligations**.**

Annual 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 West Coast DHB expects to pay. West Coast DHB accrues the obligation for paid absences when the obligation both relates to employees' past services and it accumulates.

Leased Assets

Finance Leases
Leases which effectively transfer to the West Coast DHB substantially all the risks and benefits incident to ownership of the leased items are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments.

The assets' corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period the West Coast DHB is expected to benefit from their use.

The Public Finance Act requires DHBs to obtain approval from the Minister of Health prior to entering a finance lease arrangements. An approval has been granted to all DHBs allowing them to enter into finance leases if they wish to.

Operating Leases
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised in the statement of performance on a systematic basis over the period of the lease.

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 costs with any difference between cost and redemption value recognised in the statement of financial performance over the period of the borrowings on an effective interest basis.

Statement of Cash Flows

Cash
Means cash balances on hand, held in bank accounts, bank overdrafts, demand deposits and other highly liquid investments in which the group/DHB invests as part of its day-to-day cash management.

Operating activities
Operating activities include all transactions that are not investing or financing activities. Cash inflows include all receipts from the sale of goods and services and other sources of revenue, which supports the Board's operating activities. Cash outflows include the payments made to employees, suppliers and for taxes.

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

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

Cost of Service Statements
The prospective Cost of Service Statements presented in this document report the anticipated net cost of services for the outputs of the West Coast DHB and represent the cost of providing the output less all the revenue that can be directly attributed to these activities.

Cost Allocation
West Coast DHB 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 each output class.
All indirect costs are charged to the provider, as they mostly relate to the costs of providing hospital and health service infrastructure.
An estimate of the proportion of governance activities that is attributable to the Provider is charged to the provider output class.