

Canterbury District Health Board

**Report For the Year Ended
30 June 2003**

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DIRECTORY

Board Members

Syd Bradley - Chair
Randall Allardyce
Philip Bagshaw
Erin Baker (resigned effective 23 May 2003)
Robin Booth
Graham Heenan
David Morrell
Tuari Potiki (resigned effective 31 August 2003)
Olive Webb
Paul White (resigned effective 30 September 2003)
Alison Wilkie

Chief Executive

Jean O'Callaghan

Registered Office

Charles Luney House
250 Oxford Terrace
PO Box 1600
Christchurch

Auditor

Audit New Zealand on behalf of the Auditor-General

Banker

Westpac Trust
Bank of New Zealand

MISSION STATEMENT

The Canterbury DHB's mission is to improve, promote and protect the health of the people in the community and foster the well-being and independence of people with disabilities and reduce disparities.

BOARD MEMBERS

- Syd Bradley - Chair Syd Bradley is a professional Company Director based in Christchurch and is the Chairman of the Canterbury DHB and DHBNZ. Syd has served on a number of boards since resigning from General Manager Commercial Operations (International) with New Zealand Post in 1996. Over the last decade he has been closely involved with the administration of the health sector, first as a director of Canterbury Health Ltd and subsequently as director of Healthlink South Ltd and Healthcare Otago Ltd. He was also Chairman of Healthlink South Ltd and Canterbury Health Ltd. Following this Syd was Chairman of the Health Funding Authority and also chaired the Crown Health Association (CHA) representing public health and hospital services. Syd is interested in adding value through the development and application of management systems that measure performance against standards.
- Randall Allardyce Randall Allardyce is a director of medical research at the Christchurch School of Medicine & Health Sciences and is also affiliated to the University of Canterbury. Based in Cust, Randall has headed or worked for many North Canterbury community projects and healthcare initiatives as well as the establishment of the NZ Liver Transplantation Unit, the national introduction of keyhole surgery and the new Mobile Surgical Unit.
- Philip Bagshaw Philip Bagshaw is a general surgeon at Christchurch Hospital and is an Associate Professor of Surgery at the University of Otago's Christchurch School of Medicine and Health Sciences. Philip was appointed to the academic staff there in 1981, where he teaches and does research work.
- Erin Baker Erin Baker has previously served as a councillor on the Christchurch City Council. Erin trained as a radiographer at Christchurch Hospital and worked in this profession both in Christchurch and overseas before becoming a professional athlete. Erin has also served on the boards of Jade Stadium Ltd and Christchurch and Canterbury Marketing Ltd. Erin resigned from the Canterbury DHB effective 23 May 2003.
- Robin Booth Robin Booth has previously served on the Christchurch City Council, and is a self-employed builder, manufacturer and author. Robin has a strong interest in community health and preventative medicine.
- Graham Heenan Graham Heenan has been involved in business management for nearly 30 years, since graduating with a Bachelor of Commerce in 1972. Currently Graham is self employed, and a director of numerous companies throughout the South Island. Graham's interest in the health sector has been as a director of Canterbury Health Ltd since 1995 and Health South Canterbury (1998-2000) and is currently the Chair of Canterbury Laundry Ltd and South Island Shared Services Ltd. His particular skills relate to governance, strategic planning, finance and marketing.

/ continued /

BOARD MEMBERS - continued

- David Morrell David Morrell is City Missioner in Christchurch, and has had 30 years involvement with general health and mental health through hospital chaplaincy, primarily at Christchurch Hospital during the 1970s, and subsequently at the City Mission. City Missioner since 1982, David has had extensive management training, both here and in the United Kingdom
- Tuari Potiki Tuari Potiki is of Kai Tahu, Kati Mamoe descent, belonging to the hapu of Kati Taoka and Kai Te Ruahikihiki. He has a background in Maori health and has worked extensively in the alcohol and drug, mental health, and justice sectors. Tuari is currently Social Development manager with the Ngai Tahu Development Corporation. Tuari resigned effective 31 August 2003.
- Olive Webb Olive Webb is a clinical psychologist and has more than 30 years experience working in the disability sector, particularly with people with intellectual disabilities. Based in Hororata, Olive has a focus on rural health issues and delivery. She provides clinical consultancy to IHC, is an advisor to Richmond Fellowship and also consults in the Mental Health sector.
- Paul White Paul White is from the Ngai Tupoto hapu of Te Rarawa Iwi. Paul has a 20-year background in Maori development and wide experience in the public service. He is currently a management and development consultant and professional director. Previous to this, Paul was the Chief Executive of Ngai Tahu Development Corporation, where he worked for three and a half years, a Regional Director for Te Puni Kokiri in Tai Tokerau for five years, and Branch Manager for the Housing Corporation in Northland where he worked for seven years. Paul is a registered architect and has a Masters in Business Studies. He is also a board member of Housing NZ Ltd. Paul resigned effective 30 September 2003.
- Alison Wilkie Alison Wilkie served on the Riccarton-Wigram Community Board for three years. Alison trained as a nurse at Christchurch Hospital and has post-graduate qualifications in health economics and public health. A life member of the Asthma Foundation and the Canterbury Asthma Society Inc, Alison has worked as an asthma and respiratory educator and owns a small business.

BOARD'S REPORT & STATUTORY DISCLOSURE

To the stakeholders, on the affairs of the Board for the period ended 30 June 2003.

PRINCIPAL ACTIVITIES

Canterbury DHB is a New Zealand based district health board, which provides Health and Disability Support Services, principally to the people of Canterbury, and beyond for certain specialist tertiary services.

RESULTS

During the year, Canterbury DHB recorded a net deficit of \$10.4 million against a budgeted deficit of \$11.5 million (2001/02 actual deficit - \$21.6 million).

BOARD FEES

Board fees paid, or due payable, to Board Members for services during the period, were as follows:

	Board Fees Period ended 30/06/03 \$'000	Committee Fees to Board Members Period ended 30/06/03 \$'000
Syd Bradley	48	7
Randall Allardyce	24	4
Philip Bagshaw	24	3
Erin Baker	20	2
Robin Booth	24	3
Graham Heenan	24	5
David Morrell	24	5
Tuari Potiki	24	4
Olive Webb	29	4
Paul White	24	2
Alison Wilkie	24	5
	<u>289</u>	<u>44</u>

Total fees paid for the year were \$333,000 (2001/02 - \$344,000). The limit of fees authorised for the year ended 30 June 2003 was \$371,250 (2001/02 - \$370,875).

DIRECTOR FEES

Director fees paid, or due and payable, to directors of subsidiaries during the period were as follows:

	Year Ended 30/06/03 \$'000
A Lomax	3
G Heenan	9
A Urlwin	10
	<u>22</u>
	<u><u>22</u></u>

BOARD AND COMMITTEE MEMBERS' INTEREST

The Board and Committee Members have declared their interest in the following transactions during the period:

CANTERBURY DHB

Syd Bradley	Chair - DHB NZ Observer - Pharmac Board Deputy Chair - New Zealand Post Ltd
Graham Heenan	Chair - Canterbury Laundry Services Ltd Group Chair - South Island Shared Services Agency Ltd
Dr David Kerr	Adviser - Health Benefits Adviser - Pegasus Health Chairman - Ryman Healthcare Ltd
Paul White	Director - Housing New Zealand Ltd
Randall Allardyce	Director - Breath Testing Service
David Morrell	City Missioner - Christchurch City Mission
Erin Baker	Councillor - Christchurch City Council
Api Talemaitoga	Vice Chair - Pacific Trust Canterbury Member - Pegasus Health
Mick Ozimek	Member - Pegasus Health
Neville Fagerlund	Adviser - Pegasus Health
Fiona Pimm	Board Member - South Canterbury DHB CEO - He Oranga Pounamu Charitable Trust

SUBSIDIARY AND ASSOCIATED COMPANIES

Chai Chuah (resigned July 2002)	Director of subsidiary, Canterbury Laundry Services Limited. No directors fees or any other benefits were received from the subsidiary companies except as an employee of Canterbury DHB.
Garth Bateup	Director of subsidiaries Brackenridge Estate Limited and Canterbury Laundry Services Limited. No directors fees or any other benefits were received from the subsidiary companies except as an employee of Canterbury DHB.
Kate Rawlings	Director of subsidiary, Burwood Rehabilitation Limited (wound up on 3 June 2003). No directors fees or any other benefits were received from the subsidiary company except as an employee of Canterbury DHB.
Michael Hundleby (resigned December 2002)	Director of associate company, New Zealand Centre for Reproductive Medicine Limited. No directors fees or any other benefits were received from the associate company except as an employee of Canterbury DHB.
Paul Numan	Director of subsidiary, Brackenridge Estate Limited. No directors fees or any other benefits were received from the subsidiary company except as an employee of Canterbury DHB.
Wei Yoon	Director of subsidiary, Burwood Rehabilitation Limited (wound up on 3 June 2003) and director of associate company New Zealand Centre for Reproductive Medicine Limited. No directors fees or any other benefits were received from the subsidiary or associate companies except as an employee of Canterbury DHB.
William McDonald (resigned December 2002)	Director of subsidiary, Burwood Rehabilitation Limited (wound up on 3 June 2003). No directors fees or any other benefits were received from the subsidiary company except as an employee of Canterbury DHB.

DIRECTORS' AND BOARD MEMBERS' LOANS

There were no loans made by the Board or its subsidiaries to Board Members or Directors.

DIRECTORS' AND BOARD MEMBERS' INSURANCE

The Board and its subsidiaries have arranged policies of Board Members' or Directors' Liability Insurance which, together with a Deed of Indemnity, ensures that generally Board Members or Directors will incur no monetary loss as a result of actions taken by them as Board Members or Directors. Certain actions are specifically excluded, for example the incurring of penalties and fines which may be imposed in respect of breaches of the law.

USE OF BOARD OR SUBSIDIARIES' INFORMATION

During the period, the Board or its subsidiaries did not receive any notices from Board Members or Directors requesting the use of Board or company information, received in their capacity as Board Members or Directors, which would not otherwise have been available to them.

PAYMENTS IN RESPECT OF TERMINATION OF EMPLOYMENT

During the year, the Board made the following payments to former employees in respect of the termination of their employment with the Board. These payments include amounts required to be paid pursuant to employment contracts in place eg: amounts for redundancy (based on length of service), and payment in lieu of notice etc.

Of the total payments listed of \$643,802, the amounts required to be paid pursuant to the terms of employment contracts totalled \$389,802, with the remaining balance comprising negotiated settlements with 14 of the 17 former employees.

Number of Employees	TOTAL \$
1	1,000
1	1,000
1	5,000
1	9,000
1	10,000
1	11,000
1	12,159
1	12,159
1	16,000
1	22,883
1	23,336
1	58,636
1	74,877
1	78,186
1	80,000
1	99,028
1	129,538
<hr/>	<hr/>
17	\$643,802
<hr/>	<hr/>

REMUNERATION OF EMPLOYEES

The number of employees for the Group whose income was within the specified bands is as follows:

	30/06/03 Number	30/06/02 Number
\$100,000 - \$110,000	50	43
\$110,001 - \$120,000	36	22
\$120,001 - \$130,000	17	24
\$130,001 - \$140,000	24	27
\$140,001 - \$150,000	29	27
\$150,001 - \$160,000	21	29
\$160,001 - \$170,000	23	21
\$170,001 - \$180,000	24	8
\$180,001 - \$190,000	12	9
\$190,001 - \$200,000	5	10
\$200,001 - \$210,000	4	1
\$210,001 - \$220,000	5	3
\$220,001 - \$230,000	4	1
\$250,001 - \$260,000	1	1
\$270,001 - \$280,000	1	-
\$350,001 - \$360,000	-	1
\$400,011 - \$410,000 ¹	1	-
	<u>257</u>	<u>227</u>

Of the 257 positions identified above, 237 (2001/02 - 206) were predominantly clinical and 20 (2001/02 - 21) positions were management/administrative. If the remuneration of part-time positions was grossed-up to an FTE basis, the total number of positions with FTE salaries of \$100,000 or more would be 340 with 319 (2001/02 - 328) positions predominantly clinical and 20 (2001/02 - 21) positions management/administrative.

¹ CEO remuneration and other benefits are included in this bracket. The 30 June 2003 paid amount included \$30,000 relating to the 2001/02 year.

STATUTORY DISCLOSURE

Legislative Responsibilities

Section 42 (3) of the New Zealand Public Health and Disability Act 2000 requires DHBs to report:

- (a) the extent to which the DHB has met its objectives under Section 22 of the New Zealand Public Health and Disability Act 2000,
- (b) how the DHB has given effect and intends to give effect to functions specified in Section 23 (1) (b) to (e) of the New Zealand Public Health and Disability Act 2000 and
- (c) a report on the performance of the hospital and related services it owns.

The following information reports Canterbury DHB's performance for the year ended 30 June 2003, for the above additional disclosure requirements:

Section 42(3)(b) – Report on extent CDHB has met the objectives under section 22	
Objective:	Extent objectives met
(a) to improve, promote, and protect the health of people and communities:	The CDHB developed and consulted on its initial health needs assessment with the wider community in November 2001. The CDHB also workshopped development of the Strategic Plan with internal and external stakeholders, produced a plan, then consulted in the community about directions and priorities. The Plan changed as a result of this consultation. In addition this clearly identified health priorities. To implement this Plan, strategies have been developed to address all key health goals. CDHB funds and delivers a range of services from health promotion and protection services, primary care to specialist tertiary services to meet the needs of our population.
(b) to promote the integration of health services, especially primary and secondary health services:	The CDHB Strategic Plan promotes initiatives in response to its Core Directions which include 'Working Together' and 'Finding Better Ways of Working'. Specific strategies to integrate service delivery have emerged through the priority health areas. A number of successful projects with primary care providers and non government organisations are underway. Examples are Integration projects such as the Elder Care Canterbury Project, Access Canterbury, Stay on Your Feet, Working Together for Winter and Christchurch Hospital's acute demand project which all involve different parts of the health sector and the community working collaboratively to improve health outcomes for people in Canterbury.
(c) to promote effective care or support for those in need of personal health services or disability support services:	The CDHB has supported initiatives that assess service gaps/effective utilisation as a way of informing service development, eg, The LinkAGE Project for an integrated continuum of care for older people. Contracts with providers have clear expectations of the service to be delivered, standards expected and reporting and monitoring mechanism. Quality initiatives are in place and a quality council has been initiated to encourage a number of continuous improvement in service delivery.

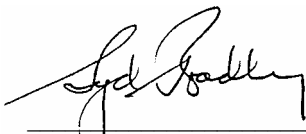
<p>(d) to promote the inclusion and participation in society and independence of people with disabilities:</p>	<p>The CDHB has actively supported the Disability Support Advisory Committee which advises on issues for people with disabilities. The CDHB has produced a Disability Strategic Action Plan which has timelines for various actions in areas of health.</p> <p>All new building developments are assessed for meeting the needs of people with disabilities.</p>
<p>(e) to reduce health disparities by improving health outcomes for Maori and other population groups:</p>	<p>The CDHB has produced and implemented its Maori Health Action Plan, which has timelines for specific actions designed to assist in improving health outcomes for Maori.</p> <p>The Maori Health Action Plan implementation has resulted in improved services (e.g. Te Whare Mahana) and greater numbers of Maori staff within generic health services.</p> <p>Some specific initiatives such as increasing the hours of the Maori health nurse in the diabetes centre have been implemented in some areas.</p> <p>Access has been improved for Pacific peoples with the opening of an inner city health clinic.</p> <p>The CDHB has supported the Ministry of Health in allocation of the Maori Provider development fund.</p>
<p>(f) to reduce, with a view to eliminating, health outcome disparities 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:</p>	<p>The CDHB Health Needs Assessment has identified groups in the community, which have health inequalities. Strategic Plan Health Gain Priority areas (eg, Child and Youth, Maori) have been identified as part of this process.</p> <p>For example, the development of primary health organisation in Canterbury will have a focus on reducing inequalities.</p> <p>The CDHB has promoted and supported the Ministry of Health funding for inequalities with two providers in Canterbury.</p>
<p>(g) to exhibit a sense of social responsibility by having regard to the interests of the people to whom it provides, or for whom it arranges the provision of, services:</p>	<p>The CDHB has endeavoured to provide for services to meet the identified health needs for the people in its community and is involved in such groups as Strengthening Families and Healthy Christchurch to advance interagency cooperation.</p> <p>The CDHB has completed an assessment of health needs in our community and has used an active consultation process to enable participation in decision making.</p>
<p>(h) to foster community participation in health improvement, and in planning for the provision of services and for significant changes to the provision of services:</p>	<p>Forums such as Healthy Christchurch, Elder Care Canterbury, Maori Hui, DHBNZ, Local Diabetes Team are examples of groups the CDHB is an active participant of with a view to comprehensive service planning that will lead to health improvement.</p> <p>The CDHB has engaged in an active consultation process through formal consultation processes (e.g. for the strategic plan) as well as sector representation on project steering groups.</p>

<p>(i) to uphold the ethical and quality standards commonly expected of providers of services and of public sector organisations:</p>	<p>The CDHB has established a Quality and Patient Safety Council and a Clinical Advisory Committee to provide advice to the CEO on quality issues and a forum for the wider DHB (community providers and operating division) to discuss quality issues and thereby facilitate ongoing improvement of the quality of health delivered to the population served by the CDHB.</p> <p>The CDHB has also developed procedures and policies that comply with public sector best practice to ensure quality standards are specified in contracts.</p>
<p>(j) to exhibit a sense of environmental responsibility by having regard to the environmental implications of its operations:</p>	<p>CDHB has shown a sense of environmental responsibility via its waste management programme and in relation to its rebuilding programme.</p>
<p>(k) To be a good employer</p>	<p>Various strategies and systems processes have been implemented but further initiatives are being developed.</p> <ul style="list-style-type: none"> • A Culture survey is undertaken across the organisation. This will assist in further identifying initiatives. • Development of cluster structure at Christchurch Hospital to facilitate greater involvement at all levels across all medical disciplines. • Harassment and Bullying Policy and training implemented to assist in providing a better working environment. • Disability Strategy action plan implemented. • Management leadership training in place. <p>Policies and approaches under development to provide for greater involvement of Maori and Pacific Island people in the CDHB workforce.</p>

<p>Section 42(3)(i): Statement of how CDHB has given effect and intends to give effect to its functions specified in section 23 (b) – (e)</p>	
<p>Function :</p>	<p>What has been done to meet function</p>
<p>(b) to actively investigate, facilitate, sponsor, and develop co-operative and collaborative arrangements with persons in the health and disability sector or in any other sector to improve, promote, and protect the health of people, and to promote the inclusion and participation in society and independence of people with disabilities:</p>	<ul style="list-style-type: none"> • The CDHB has involved stakeholders in delivery of Core Directions and health gain priority areas for CDHB Strategic Plan. • The CDHB actively involves relevant groups and individuals In planning specific service areas. • Joint arrangements are being developed for the provision of orthopaedic and cardiac surgery services. • The CDHB works with the Ministry of Health in a number of joint/collaborative ways such as Public (Population) Health shared decision making; and the allocation of the Maori and Pacific Health development fund.

<p>(c) to issue relevant information to the resident population, persons in the health and disability sector, and persons in any other sector working to improve, promote, and protect the health of people for the purposes of paragraphs (a) and (b):</p>	<ul style="list-style-type: none"> • The CDHB uses a variety of written media, TV and radio work to outline general issues and priorities and the community. • The CDHB will continue to respond directly to media / personal / group enquiries. • To circulate / make available significant documents / plans for population in summary and comprehensive form either at libraries, via groups or individually. • Involvement of sector representatives in steering groups leading the planning for health services. • The CDHB has developed a website which includes community based health information. • The CDHB continues to provide health promotion services funded by the MoH.
<p>(d) to establish and maintain processes to enable Maori to participate in, and contribute to, strategies for Maori health improvement:</p>	<p>Relationships with Manawhenua Ki Waitaha; Te Runanga and Nga Maata Waka; continue to develop. Maori community hui are held quarterly and regular meetings with Maori providers and other Maori community organisations.</p>
<p>(e) to continue to foster the development of Maori capacity for participating in the health and disability sector and for providing for the needs of Maori:</p>	<p>Within the provider arm a range of Komiti for Maori staff have been established across the divisions and Te Ao Marama the CDHB wide Maori Health Group. The CDHB Maori Health Plan identifies capacity and capability as key issues to address. Regular hui are held to share information. Canterbury DHB actively supported and managed the implementation of the Ministry of Health's funding for Maori Provider Development. The Canterbury DHB has also continued to support the Maori and Pacific Peoples Leadership Programme locally.</p>

For and on behalf of the Board



Syd Bradley
Chair
24 October, 2003




Graham Heenan
Board Member
24 October, 2003

STATEMENT OF RESPONSIBILITY

Pursuant to Section 42 of the Public Finance Act 1989, we acknowledge that:

- a) The preparation of financial statements of Canterbury DHB and the judgements used therein, are our responsibility.
- b) The establishment and maintenance of internal control systems, designed to give reasonable assurance as to the integrity and reliability of the financial reports for the period ended 30 June 2003, are our responsibility.
- c) In our opinion, the financial statements for the year under review fairly reflect the financial position and operations of Canterbury DHB.



Syd Bradley
Chair
24 October, 2003



Jean O'Callaghan
Chief Executive Officer
24 October, 2003

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2003

	Notes	Group			Parent	
		Actual 30/06/03 \$'000	Budget 30/06/03 \$'000	Actual 30/6/02 \$'000	Actual 30/06/03 \$'000	Actual 30/6/02 \$'000
OPERATING REVENUE						
MoH Revenue		671,819	670,944	623,078	665,642	609,975
Patient Related Revenue		21,951	20,563	22,611	21,366	22,609
Other Revenue		11,616	8,808	9,708	10,919	9,190
TOTAL REVENUE		705,386	700,315	655,397	697,927	641,774
OPERATING EXPENSES						
Employee Costs		321,932	315,066	299,748	315,514	289,231
Treatment Related Costs		90,435	82,155	83,402	93,487	85,562
External Service Providers ²		206,452	213,939	195,119	206,452	195,119
Depreciation	11	21,295	23,487	20,892	20,189	19,761
Interest Expense		6,623	7,896	7,443	6,618	7,310
Other Expenses		54,682	52,872	54,244	51,823	50,477
TOTAL OPERATING EXPENSES		701,419	695,415	660,848	694,083	647,460
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL CHARGE						
		3,967	4,900	(5,451)	3,844	(5,686)
Capital Charge Expense		(14,395)	(16,400)	(16,192)	(14,395)	(16,192)
OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION						
	2	(10,428)	(11,500)	(21,643)	(10,551)	(21,878)
Tax (Expense)/ Benefit	3	23	-	50	-	-
OPERATING SURPLUS (DEFICIT) AFTER TAXATION						
		(10,405)	(11,500)	(21,593)	(10,551)	(21,878)
Minority Interest Share of Surplus in Subsidiary		-	-	(30)	-	-
NET SURPLUS / (DEFICIT) FOR THE YEAR		(10,405)	(11,500)	(21,623)	(10,551)	(21,878)

² The budget included some national/regional contract expenditure which has subsequently been transferred back to other DHBs.

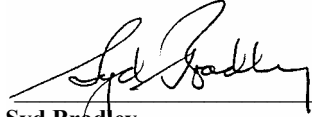
STATEMENT OF MOVEMENTS IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2003

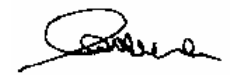
	Notes	Group			Parent	
		Actual 30/06/03 \$'000	Budget 30/06/03 \$'000	Actual 30/06/02 \$'000	Actual 30/06/03 \$'000	Actual 30/06/02 \$'000
TOTAL EQUITY AT BEGINNING OF THE PERIOD:						
Equity excluding Minority Interest		134,923	134,923	156,546	134,577	156,455
Minority Interest		56	56	26	-	-
		<u>134,979</u>	<u>134,979</u>	<u>156,572</u>	<u>134,577</u>	<u>156,455</u>
Revenue reserves from subsidiaries which were amalgamated during the year		-	-	-	215	-
		<u>134,979</u>	<u>134,979</u>	<u>156,752</u>	<u>134,792</u>	<u>156,455</u>
TOTAL RECOGNISED REVENUES AND EXPENSES:						
Net surplus / (deficit) for the period		(10,405)	(11,500)	(21,623)	(10,551)	(21,878)
Attributable to Minority Interest		-	-	30	-	-
Revaluation of Fixed Assets	5	77,717	-	-	77,717	-
		<u>67,312</u>	<u>(11,500)</u>	<u>(21,593)</u>	<u>67,166</u>	<u>(21,878)</u>
OTHER MOVEMENTS						
Contribution from Crown		9,350	25,000	-	9,350	-
Minority Interest amalgamated		(56)	-	-	-	-
		<u>9,294</u>	<u>25,000</u>	<u>-</u>	<u>9,350</u>	<u>-</u>
TOTAL EQUITY AT END OF THE PERIOD:						
Equity excluding Minority Interest		211,585	148,423	134,923	211,308	134,577
Minority Interest		-	56	56	-	-
TOTAL EQUITY		<u>211,585</u>	<u>148,479</u>	<u>134,979</u>	<u>211,308</u>	<u>134,577</u>

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	Group			Parent	
		Actual as at 30/06/03 \$'000	Budget as at 30/06/03 \$'000	Actual as at 30/06/02 \$'000	Actual as at 30/06/03 \$'000	Actual as at 30/06/02 \$'000
CROWN EQUITY						
General Funds	5	159,174	174,824	149,824	159,312	149,962
Revaluation Reserve	5	77,717	453	453	77,717	-
Retained Earnings	5	(32,700)	(34,034)	(22,534)	(32,800)	(22,268)
Trust Reserve	5	7,394	7,180	7,180	7,079	6,883
Minority Interest		-	56	56	-	-
TOTAL EQUITY		211,585	148,479	134,979	211,308	134,577
REPRESENTED BY:						
CURRENT ASSETS						
Cash & Bank	9	(4,295)	155	(3,635)	(4,637)	(4,531)
Receivables and Prepayments	4	57,149	52,017	52,596	55,502	51,364
Stocks	6	6,920	7,331	7,331	6,861	7,276
TOTAL CURRENT ASSETS		59,774	59,503	56,292	57,726	54,109
CURRENT LIABILITIES						
Creditors and Accruals		85,998	49,335	59,192	85,591	58,468
Owing to Crown		3,670	4,234	7,834	3,670	7,834
Staff Entitlements due within 1 year	7	28,507	35,000	28,661	28,152	27,996
Loans due within 1 year	9	99,380	120,000	27,568	99,380	27,468
TOTAL CURRENT LIABILITIES		217,555	208,569	123,255	216,793	121,766
NET WORKING CAPITAL		(157,781)	(149,066)	(66,963)	(159,067)	(67,657)
NON CURRENT ASSETS						
Investments	10	378	466	466	3,783	4,032
Fixed Assets	11	355,863	288,154	269,641	353,484	264,905
Surplus Property	11	10,300	7,450	7,450	10,300	7,350
Restricted Assets	8	7,394	7,180	7,180	7,079	6,883
TOTAL NON CURRENT ASSETS		373,935	303,250	284,737	374,646	283,170
NON CURRENT LIABILITIES						
Staff Entitlements due after 1 year	7	4,271	3,636	3,636	4,271	3,636
Provision for maintenance	20	220	-	210	-	-
Deferred Tax	3	78	69	69	-	-
Loans repayable after 1 year	9	-	2,000	78,880	-	77,300
TOTAL NON CURRENT LIABILITIES		4,569	5,705	82,795	4,271	80,936
NET ASSETS		211,585	148,479	134,979	211,308	134,577

For and on behalf of the Board


 Syd Bradley
 Chair
 24 October, 2003


 Graham Heenan
 Board Member
 24 October, 2003

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2003

Notes	Group			Parent	
	Actual 30/06/03 \$'000	Budget 30/06/03 \$'000	Actual 30/06/02 \$'000	Actual 30/06/03 \$'000	Actual 30/06/02 \$'000
CASH FLOW FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from MoH	660,112	671,744	621,518	655,488	608,550
Other Receipts	39,402	29,150	30,191	37,540	29,519
Interest Received	682	483	565	909	717
	<u>700,196</u>	<u>701,377</u>	<u>652,274</u>	<u>693,937</u>	<u>638,786</u>
Cash was applied to:					
Payments to Employees	319,589	308,727	293,724	313,321	283,235
Payments to Suppliers	324,365	359,033	311,060	324,822	309,438
Interest Paid	6,416	8,379	7,322	6,411	7,187
Taxes Paid / (Refunded)	27	-	(1,094)	53	(1,200)
Capital Charge	18,559	20,000	16,356	18,559	16,356
GST (net)	1,293	-	(1,322)	1,312	(1,304)
	<u>670,249</u>	<u>696,139</u>	<u>626,046</u>	<u>664,478</u>	<u>613,712</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	12	29,947	5,238	26,228	29,459
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Sale of Assets	24	-	579	23	579
Decrease in Investments	81	-	-	789	-
	<u>105</u>	<u>-</u>	<u>579</u>	<u>812</u>	<u>579</u>
Cash was applied to:					
Increase in Investments & Restricted Assets	207	-	454	611	202
Purchase of Assets	32,787	42,000	19,319	32,048	18,369
	<u>32,994</u>	<u>42,000</u>	<u>19,773</u>	<u>32,659</u>	<u>18,571</u>
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(32,889)	(42,000)	(19,194)	(31,847)	(17,992)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Loans Raised	-	42,968	-	-	-
Equity contribution from the Crown	9,350	25,000	-	9,350	-
	<u>9,350</u>	<u>67,968</u>	<u>-</u>	<u>9,350</u>	<u>-</u>
Cash was applied to:					
Loans Repaid	7,068	27,416	2,420	7,068	2,420
	<u>7,068</u>	<u>27,416</u>	<u>2,420</u>	<u>7,068</u>	<u>2,420</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	2,282	40,552	(2,420)	2,282	(2,420)
Overall Increase/(Decrease) in Cash Held	(660)	3,790	4,614	(106)	4,662
Opening Cash Balance	(3,635)	(3,635)	(8,249)	(4,531)	(9,193)
CLOSING CASH BALANCE	(4,295)	155	(3,635)	(4,637)	(4,531)

1. STATEMENT OF ACCOUNTING POLICIES

A. REPORTING ENTITY

Canterbury DHB is a Crown entity in terms of the Public Finance Act 1989.

The group currently consists of Canterbury DHB, its subsidiaries Canterbury Laundry Services Ltd (100% owned) and Brackenridge Estate Ltd (100% owned), and associate entities, New Zealand Centre for Reproductive Medicine Ltd (50% owned) and South Island Shared Services Agency Ltd (47% owned).

During the year ended 30 June 2003, the subsidiary companies Burwood Rehabilitation Ltd (100% owned), CLS Properties Ltd (100% owned) and Crown Public Health Ltd (76.5% owned) were amalgamated into Canterbury DHB, and the associate company Heart Surgery South Island Ltd (50% owned) was wound up.

The financial statements of Canterbury DHB have been prepared in accordance with the requirements of the NZ Public Health and Disability Act 2000 and the Public Finance Act 1989.

In addition, funds administered on behalf of patients have been reported as a note to the financial statements.

B. MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain fixed assets.

C. ACCOUNTING POLICIES

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

i) Revenue from Contracts for Services

Revenue from Ministry of Health to the Funder arm of Canterbury DHB is recognised as revenue in the financial year. Revenue from contracts for services where funding is still the responsibility of Ministry of Health, is recognised based upon the percentage of completion of the contract performance targets.

ii) Specific Purpose Grants and Specific Service Sales

Specific purpose grants and specific service sales are recognised as revenue when the primary conditions attached to those grants or services have been complied with.

iii) Fixed Assets

Fixed Assets Vested from the Hospital and Health Service

Under section 95(3) of the New Zealand Public Health and Disability Act 2000, the assets and liabilities of Canterbury Health Ltd were vested in Canterbury DHB on 1 January 2001. Accordingly, assets were transferred to Canterbury DHB at their net book values as recorded in the books of CHL. In effecting this transfer, the DHB has recognised the cost/valuation and accumulated depreciation amounts from the records of Canterbury Health Ltd. The vested assets will continue to be depreciated over their remaining useful lives.

Fixed Assets acquired since the establishment of Canterbury DHB

Assets acquired by the DHB since its establishment are recorded at cost except for land, buildings and fitout plant and equipment that are revalued every five years. This includes all appropriate costs of acquisition and installation, including materials, labour, direct overheads, financing and transport costs.

Revaluation of land, buildings and fitout plant and equipment

Land, buildings and fitout plant and equipment are revalued every five years. The fair value of land, buildings and fitout plant and equipment is determined by an independent registered valuer by reference to the highest and best use of these assets or, if sufficient market based evidence is not available, by reference to their depreciated replacement cost. Additions between revaluations are recorded at cost. The results of revaluing land, buildings and fitout plant and equipment are credited or debited to assets 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.

iv) Depreciation

Depreciation is charged on a straight line basis so as to write off the cost or valuation of fixed assets above \$2,000 to their estimated residual value over their expected economic life. Assets below \$2,000 are written off in the month of purchase. The estimated economic lives of major classes of assets are as follows:

	Years
Freehold Buildings	20 - 50
Leasehold Building & Fitout	3 - 20
Fitout Plant and Equipment	5 - 50
Plant and Equipment (incl pool)	5 - 12
Office Equipment	8 - 10
Furniture and Fittings	10
Computer Equipment and Software	2 - 5
Motor Vehicles	5

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.

v) Goods and Services Tax

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables that are stated with GST included. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

vi) Donated Assets

Donated assets are recorded at the best estimate of net current value. Donated assets are depreciated over their expected lives in accordance with rates established for other fixed assets.

vii) Stocks

Stocks are valued 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.

viii) Accounts Receivable

Accounts Receivable is stated at the estimated realisable value after providing against debts where collection is doubtful.

ix) Investments

The investment in the Associate Companies is stated at the fair value of the net tangible assets at acquisition plus the movement in the share of post acquisition reserves on an equity accounted basis.

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

Dividend and interest income is accounted for on an accrual basis.

x) Taxation

Canterbury 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.

Canterbury DHB subsidiaries are subject to income tax, with the exception of Brackenridge Estate Ltd. Income tax expense is charged in the group statement of financial performance in respect of the subsidiaries current year's earnings after allowance for permanent differences. Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or tax bases are only recognised where there is virtual certainty of realisation.

xi) Research and Development

Research and Development costs are expensed as incurred except in the case of development expenditure where future benefits are expected to exceed those costs. Where development expenditure is deferred, the expenditure is amortised over the period of expected benefits.

xii) Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Where forward currency contracts have been taken out to cover forward currency commitments, the transaction is translated at the rate contained in the contract.

Monetary assets and liabilities arising from trading transactions or overseas borrowings are valued at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

xiii) Leased Assets

Leases under which the DHB assumes substantially all the risks and rewards incidental to ownership are classified as Finance Leases and capitalised.

The asset and corresponding liability are recorded at inception of the lease at the fair value of the leased assets, or if lower, at the discounted present value of the minimum lease payments including residual values.

Capitalised leased assets are depreciated over their expected lives in accordance with rates established for other similar assets.

Finance charges are apportioned over the terms of the respective leases using the actuarial method.

Operating lease payments are charged as expenses in the period in which they are incurred.

xiv) Finance Costs

Where interest rate swap contracts have been taken out to hedge specific borrowing, the rates contained in the swap contracts have been used to calculate interest payable. For general hedges, accrued swap payments and receipts due at balance date are recognised as finance costs.

xv) Provision for Staff Entitlements

Provision is made in respect of the DHB's liability for annual leave, long service leave, retirement gratuities, parental leave and conference leave. Gratuities and long service leave have been calculated on an actuarial basis at current rates of pay whilst the other provisions have been estimated based on an entitlement basis.

xvi) Statement of Cash Flows

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

Operating activities include cash received from all income sources of the DHB and record the cash payment made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of current and non current securities and advances (other than securities and advances included within cash) and any other non current assets.

Financing activities are those activities relating to changes in equity and debt capital structure of the entity and those activities relating to the cost of servicing the entity's equity capital.

xvii) Donations and Bequests

Donations and bequests received with restrictive conditions are treated as income when received. Until the conditions attached have been fulfilled, the assets received are treated as restricted assets.

xviii) Financial Instruments

Canterbury DHB is party to financial instrument arrangements as part of its everyday operations, including both instruments which have been recognised in the Statement of Financial Position and those off-Balance Sheet. Off-Balance Sheet financial instruments include foreign currency forward exchange contracts and interest rate swaps.

The following methods and assumptions were used to value each class of financial instruments:

- Accounts Receivable is recorded at expected realisable value.
- Investments are recorded at the lower of cost or market value.
- All other financial instruments, including term loans, cash and bank, and accounts payable are recognised at their fair value.

While off-Balance Sheet financial instruments are subject to risk that market rates may change subsequent to the purchase of the financial instruments, the opposite effects on the items being hedged would generally offset such changes. For interest rate swaps, the differential to be paid or received is accrued as interest rates change and is recognised as a component of interest expense over the life of the swaps.

xix) Basis of Consolidation

The consolidated financial statements include the parent DHB and its subsidiaries. The subsidiaries are accounted for by adding together corresponding assets, liabilities, revenues and expenses on a line by line basis.

The interest in the associate companies has been reflected in the financial statements on an equity accounting basis which shows the share of surplus/deficit in the statement of financial performance and the share of post-acquisition increases/decreases in net assets in the statement of financial position.

All significant inter-company transactions are eliminated on consolidation.

xx) Comparative Figures

Comparative figures for the previous period include the results of operations of subsidiary companies CLS Properties Ltd and Crown Public Health Ltd in the Group results only. These companies were amalgamated into Canterbury DHB during the year ended 30 June 2003, and accordingly now form part of the parent entity's results.

D CHANGE IN ACCOUNTING POLICIES

The Crown's policy is to revalue land, buildings and fitout plant and equipment. In order to meet Crown's policy, the Board has changed its accounting policy for the revaluation of land, buildings and fitout plant and equipment. The Board has revalued its land, buildings and fitout plant and equipment at fair value which has been determined by reference to the highest and best use of these assets or, if sufficient market-based evidence is not available, by reference to their depreciated replacement cost. The previous policy had been to disclose land, buildings and fitout plant and equipment at cost. The effect of this is to increase the value of land and buildings by \$77,717,000.

There were no other significant accounting policy changes from the previous financial period. The accounting policies stated above have been consistently applied throughout the period and correspond to the accounting policies specified in the Statement of Intent at the beginning of the period.

2. NET OPERATING SURPLUS/(DEFICIT)

The net operating deficit is stated:	<u>Group</u>		<u>Parent</u>	
	30/06/03 \$'000	30/06/02 \$'000	30/06/03 \$'000	30/06/02 \$'000
After Charging:				
Remuneration of Auditor:				
- Audit Fees	120	127	101	100
- Other Services	23	-	23	-
Board Members Fees	333	344	333	344
Directors' Fees	22	39	-	-
Interest Expense	6,623	7,443	6,618	7,310
Bad Debts Written Off	130	62	130	62
Increase/(Decrease) in Bad Debts Provision	745	811	745	812
Write-down (reversal of write down) of investments	-	-	(595)	474
Rental and Operating Lease Costs	4,017	3,826	3,452	2,571
After Crediting:				
Interest Received from Investments	682	565	909	717
Gain (loss) on Disposal of Assets	(85)	125	(86)	125

3. TAXATION

The tax expense arises from the operations of subsidiary entities. The DHB itself is exempt from income tax.

	<u>Group</u>	
	30/06/03 \$'000	30/06/02 \$'000
Net Operating Surplus/(Deficit) before Taxation	(10,428)	(21,643)
Prima facie taxation @ 33%	(3,441)	(7,142)
Plus/(Less) tax effect of:		
Permanent Differences	3,418	7,185
Timing Differences not recognised	-	(90)
Underestimation of tax in previous year	-	(3)
Tax Expense / (Benefit)	(23)	(50)
Comprising:		
Current Tax	(32)	(74)
Deferred Tax	9	24
	(23)	(50)
Deferred Tax Liability		
Opening Balance	69	45
Current Year Movement	9	24
	78	69

Permanent differences are due to results of the Parent and Brackenridge Estate Ltd not being subject to income tax.

4. RECEIVABLES AND PREPAYMENTS

	<u>Group</u>		<u>Parent</u>	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Trade Debtors	6,822	11,647	6,781	10,472
Receivable from Crown	48,438	36,731	46,885	36,731
Other Debtors	1,594	3,201	1,550	3,159
Prepayments	295	1,017	286	1,002
	57,149	52,596	55,502	51,364

5. EQUITY

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
GENERAL FUNDS				
Opening Balance	149,824	149,824	149,962	149,962
Equity contribution from Crown	9,350	-	9,350	-
	<u>159,174</u>	<u>149,824</u>	<u>159,312</u>	<u>149,962</u>
RETAINED EARNINGS				
Opening Balance	(22,534)	(496)	(22,268)	10
Revenue reserves from amalgamated subsidiaries	-	-	215	-
Adjustment on amalgamation of CLS Properties	453	-	-	-
Operating Surplus/(Deficit)	(10,405)	(21,623)	(10,551)	(21,878)
Transfers from/(to) Trust Reserve	(214)	(415)	(196)	(400)
Closing Balance	<u>(32,700)</u>	<u>(22,534)</u>	<u>(32,800)</u>	<u>(22,268)</u>
Represented by :				
Accumulated Deficit in Parent and Subsidiary	(32,778)	(22,612)	(32,878)	(22,346)
Accumulated Surplus in Associates	78	78	78	78
	<u>(32,700)</u>	<u>(22,534)</u>	<u>(32,800)</u>	<u>(22,268)</u>
REVALUATION RESERVE				
Opening Balance	453	453	-	-
Adjustment on amalgamation of CLS Properties	(453)	-	-	-
Current Year Movement	77,717	-	77,717	-
Closing Balance	<u>77,717</u>	<u>453</u>	<u>77,717</u>	<u>-</u>
Represented by:				
Revaluation of land	27,531	63	27,531	-
Revaluation of freehold buildings	656	-	656	-
Revaluation of fitout plant and equipment	48,540	390	48,540	-
Revaluation of reversionary interest in buildings	990	-	990	-
	<u>77,717</u>	<u>453</u>	<u>77,717</u>	<u>-</u>
TRUST RESERVE				
Opening Balance	7,180	6,765	6,883	6,483
Transfers from/(to) Retained Earnings	214	415	196	400
Closing Balance	<u>7,394</u>	<u>7,180</u>	<u>7,079</u>	<u>6,883</u>

During the year ended 30 June 2003, Canterbury Laundry Services Property Ltd and Crown Public Health Ltd were wound up and their assets and liabilities amalgamated into Canterbury DHB. Their revenue reserves of \$29,000 and \$186,000 were amalgamated into Canterbury DHB revenue reserves.

6. STOCKS

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Pharmaceuticals	1,914	2,655	1,914	2,655
Surgical and Medical Supplies	3,703	3,569	3,703	3,569
Other Supplies	1,875	1,686	1,816	1,631
	<u>7,492</u>	<u>7,910</u>	<u>7,433</u>	<u>7,855</u>
Provision for Obsolescence	(572)	(579)	(572)	(579)
	<u>6,920</u>	<u>7,331</u>	<u>6,861</u>	<u>7,276</u>

Some of the stocks may be subject to restriction of title ie Romalpa Clauses or securities registered by suppliers under Personal Property Securities Act. The value of stocks subject to above cannot be quantified due to the inherent difficulties in identifying stocks that are still subject to the Romalpa Clauses or security registered under PPSA at year end.

7. STAFF ENTITLEMENTS

Staff Entitlements consist of:

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Provision for Gratuities	2,209	1,815	2,209	1,815
Provision for Long Service Leave	2,652	2,124	2,638	2,110
Annual Leave Accruals	18,760	17,432	18,417	16,822
Unpaid Days Accruals	4,504	3,241	4,356	3,026
ACC Accruals	(948)	2,229	(977)	2,189
Conference Leave Accruals	2,764	1,932	2,764	1,932
Other	15,826	14,654	15,758	14,619
	<u>45,767</u>	<u>43,427</u>	<u>45,165</u>	<u>42,513</u>
Less Due Within 1 Year:				
Provision for Gratuities	72	8	72	8
Provision for Long Service Leave	518	295	504	281
Annual Leave Accruals	18,760	17,432	18,417	16,822
Unpaid Days Accruals	4,504	3,241	4,356	3,026
ACC Accruals	(948)	2,229	(977)	2,189
Conference Leave Accruals	2,764	1,932	2,764	1,932
Other	15,826	14,654	15,758	14,619
	<u>41,496</u>	<u>39,791</u>	<u>40,894</u>	<u>38,877</u>
Included in Creditors and Accruals	12,989	11,130	12,742	10,881
	<u>28,507</u>	<u>28,661</u>	<u>28,152</u>	<u>27,996</u>
Staff Entitlement Due Within 1 Year				
Staff Entitlement Due After 1 Year	4,271	3,636	4,271	3,636

8. RESTRICTED ASSETS

Restricted assets are funds donated and bequeathed for specific purposes. At 30 June 2003, the amount of funds received where the conditions attached have not been fulfilled is \$7,394,000 (\$7,180,000 at 30 June 2002).

This is represented by:

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Cash at Bank	177	247	177	247
Term Deposits	4,625	4,488	4,310	4,191
Local Authorities & Government Stocks	710	958	710	958
Quoted Shares	55	55	55	55
Bonds & Stocks	1,827	1,432	1,827	1,432
Total Restricted Assets	7,394	7,180	7,079	6,883

9. LOANS AND BANK OVERDRAFT

Loans consist of:

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Commercial Loans	99,380	106,448	99,380	104,768
Finance Lease	-	-	-	-
	99,380	106,448	99,380	104,768
Repayable as follows:				
Due Within 1 Year	99,380	27,568	99,380	27,468
One to Two Years	-	78,880	-	77,300
	99,380	106,448	99,380	104,768

The bank overdraft facility available totals \$2,000,000 for the parent and \$2,250,000 for the group.

Security

Canterbury DHB commercial loans and the overdraft facilities are secured by Deed of Negative Pledge which requires the Board to comply with certain covenants such as limitations on borrowings, interest cover and working capital ratio. The Brackenridge Estate Ltd overdraft facility is secured by a registered first and exclusive debenture over the company's assets, undertakings and uncalled capital.

Interest Rates

Weighted average interest rates on the group's borrowing for the year are as follows:

	Group		Parent	
	30/06/03	30/06/02	30/06/03	30/06/02
Commercial Loans	5.92%	7.27%	5.92%	7.26%
Finance Lease	0.00%	7.00%	0.00%	7.00%
Bank Overdraft	7.30%	7.20%	7.30%	7.20%

10. INVESTMENTS

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Investment in Associates	378	466	378	466
Investment in Subsidiaries	-	-	3,405	3,566
	<u>378</u>	<u>466</u>	<u>3,783</u>	<u>4,032</u>

INVESTMENT IN ASSOCIATES

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Share of Associates Equity Brought Forward	170	170	170	170
Capital distribution on winding up (HSSIL)	(2)	-	(2)	-
Share of Associates Operating Surplus	-	-	-	-
	<u>168</u>	<u>170</u>	<u>168</u>	<u>170</u>
Share of Associates Equity Carried Forward	210	296	210	296
Advances				
	<u>378</u>	<u>466</u>	<u>378</u>	<u>466</u>

At 30 June 2003, Associate Companies comprised:

	Percentage Interest	Balance Date
New Zealand Centre for Reproductive Medicine Ltd	50	30 June
South Island Shared Services Agency Ltd	47	30 June

New Zealand Centre for Reproductive Medicine Ltd provides reproductive medicine services to private and publicly funded patients.

South Island Shared Services Agency Ltd provides support services for contracting, contract monitoring and provider audits to DHBs for their Funding arm.

Heart Surgery South Island Ltd used to provide heart surgery for which Canterbury DHB invoiced facility fees. That company ceased trading on 1 July 2002 following the allocation of the Ministry of Health contract directly to participating DHBs, and has been wound up.

INVESTMENT IN SUBSIDIARIES

	Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Equity - Burwood Rehabilitation Ltd	-	542
Equity - CLS Properties Ltd	-	515
Equity - Canterbury Laundry Services Ltd	393	393
Equity - Crown Public Health Ltd	-	1
Advances - Canterbury Laundry Services Ltd	2,001	2,115
Advances - Brackenridge Estate Ltd	1,011	-
	<u>3,405</u>	<u>3,566</u>

At 30 June 2003 subsidiary companies comprise:

	Percentage Interest	Balance Date
Canterbury Laundry Services Ltd	100%	30 June
Brackenridge Estate Ltd	100%	30 June

Canterbury Laundry Services Ltd provides laundry services. Brackenridge Estate Ltd provides residential accommodation and ongoing care for intellectually disabled persons.

During the year, CLS Properties Ltd, Burwood Rehabilitation Ltd and Crown Public Health were wound up and their assets and liabilities were amalgamated into Canterbury DHB.

As a result of winding up of Burwood Rehabilitation Ltd, Canterbury DHB now directly holds a 60% share in the surplus of Burwood Orthopaedic Surgical Services, a partnership which performs orthopaedic surgery for ACC and work related insurers at Burwood Hospital.

Canterbury DHB appoints both directors of Canterbury Laundry Services Ltd. The company provides services predominantly to Canterbury DHB, and Canterbury DHB has control over the objectives of the company.

Canterbury DHB appoints two out of five directors of Brackenridge Estate Ltd. Its control over the company is exercised through these directors and the provision of financial support and administrative services by Canterbury DHB.

11. FIXED ASSETS

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
At Cost				
Freehold land	-	20,824	-	20,824
Buildings - freehold	-	95,447	-	95,447
Leasehold Building & Fitout	3,497	3,447	3,042	2,984
Fitout plant and equipment	-	116,172	-	116,172
Plant and equipment	45,868	44,549	41,196	39,021
Computer equipment and software	27,502	22,135	27,417	22,094
Motor vehicles	2,079	1,434	1,938	1,334
Capital work-in-progress	27,349	19,383	27,349	19,375
At Valuation				
Freehold land	74,601	26,313	74,601	25,821
Buildings - freehold	85,920	1,718	85,920	-
Fitout plant & equipment	131,289	82	131,289	-
Plant and equipment	24,791	22,985	24,791	22,985
Reversionary interest in buildings	990	-	990	-
	<u>423,886</u>	<u>374,489</u>	<u>418,533</u>	<u>366,057</u>
Accumulated Depreciation				
Buildings - freehold	-	14,650	-	14,445
Leasehold Building & Fitout	579	363	318	142
Fitout plant and equipment	-	34,200	-	34,190
Plant and equipment	32,640	27,184	30,036	24,103
Computer equipment and software	23,452	20,083	23,409	20,052
Motor vehicles	1,052	918	986	870
	<u>57,723</u>	<u>97,398</u>	<u>54,749</u>	<u>93,802</u>

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Net Book Value				
Freehold land	74,601	47,137	74,601	46,645
Buildings - freehold	85,920	82,515	85,920	81,002
Leasehold Building & Fitout	2,918	3,084	2,724	2,842
Fitout plant and equipment	131,289	82,054	131,289	81,982
Plant and equipment	38,019	40,350	35,951	37,903
Computer equipment and software	4,050	2,052	4,008	2,043
Motor vehicles	1,027	516	952	464
Capital work-in-progress	27,349	19,383	27,349	19,374
Reversionary interest in buildings	990	-	990	-
Reclassify to Surplus Property	(10,300)	(7,450)	(10,300)	(7,350)
	<u>355,863</u>	<u>269,641</u>	<u>353,484</u>	<u>264,905</u>
Depreciation charged during the year:				
Buildings - freehold	2,235	2,247	2,235	2,190
Leasehold Building & Fitout	216	181	176	141
Fitout plant and equipment	6,795	6,667	6,781	6,661
Plant and equipment	8,564	7,742	7,547	6,741
Computer equipment and software	3,345	3,644	3,328	3,629
Motor vehicles	140	411	122	399
	<u>21,295</u>	<u>20,892</u>	<u>20,189</u>	<u>19,761</u>

Canterbury DHB has revalued its land, buildings and fitout plant and equipment as at 30 June 2003. The revaluation was carried out by the independent registered valuers Telfer Young and resulted in the net increases in the value of land (\$27,531,000), freehold buildings (\$670,000), fitout plant and equipment (\$48,526,000) and reversionary interest in a car park building (\$990,000). This increase has been recognised in the Revaluation Reserve. The total fair value of Canterbury DHB's land and buildings including fitout as at 30 June 2003 was \$294,728,000.

Canterbury DHB owns land which it has allowed a third party to construct a car park on. In lieu of rental foregone, the car park building will belong to Canterbury DHB in 17 years time. This interest has not been included in the Statement of Financial Position, other than the June 2003 revaluation effect of \$990,000 included in the Revaluation Reserve and Fixed Assets as reversionary interest.

Property surplus to requirements as at 30 June 2003 included land at Hillmorton, Templeton and Hanmer Springs hospital sites, and two sites in central Christchurch.

Under the terms of the Ngai Tahu Claims Settlement Act 1998, most surplus property must be first offered to Ngai Tahu. The disposal of certain properties may also be subject to the provisions of section 40 of the Public Works Act 1981.

12. RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAXATION WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>Group</u>		<u>Parent</u>	
	30/06/03 \$'000	30/06/02 \$'000	30/06/03 \$'000	30/06/02 \$'000
Net Operating Surplus before Share of Associate	(10,405)	(21,593)	(10,551)	(21,878)
Add Back Non-Cash Items:				
Depreciation	21,295	20,892	20,189	19,761
Maintenance provision	10	120	-	-
Other non-cash items	(28)	-	27	-
Add Back Items Classified as Investing Activity:				
(Gain) / loss on Asset Sale	85	(125)	86	(125)
	<u>10,957</u>	<u>(706)</u>	<u>9,751</u>	<u>(2,242)</u>
Movement in Term Portion Staff Entitlement	635	845	635	845
Movement in Deferred Tax	9	24	-	-
Movements in Working Capital:				
Decrease/ (Incr.) in Receivables & Prepayments	(4,553)	(380)	(4,138)	(233)
Decrease/ (Incr.) in Stocks	411	(499)	415	(519)
Increase/ (Decr.) in Creditors & Other Accruals	26,806	23,225	27,123	23,283
Increase/ (Decr.) in Capital Charge due to Crown	(4,164)	(229)	(4,164)	(229)
Increase/ (Decr.) in Staff Entitlements	(154)	3,948	156	4,169
Add Items in Debtors relating to amalgamation of subsidiaries	-	-	777	-
Less: Items in Creditors relating to amalgamation of subsidiaries	-	-	(1,096)	-
	<u>29,947</u>	<u>26,228</u>	<u>29,459</u>	<u>25,074</u>
NET CASH IN/(OUT)FLOW FROM OPERATING ACTIVITIES				

13. COMMITMENTS

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
CAPITAL COMMITMENTS				
Committed at Balance Date	64,878	92,739	64,878	92,739
NON CANCELLABLE OPERATING LEASE COMMITMENTS				
Accommodation Lease	14,609	7,408	6,885	3,650
Computer Leases	197	489	197	197
Vehicle Leases	258	630	244	379
Other	11	14	-	-
	15,075	8,541	7,326	4,226
For Expenditure Within:				
1 Year	2,020	2,331	1,532	1,216
2 Years	1,660	1,422	1,187	829
3 Years and Beyond	11,395	4,788	4,607	2,181
	15,075	8,541	7,326	4,226

Canterbury DHB contracts with a wide variety of service providers with whom there are differing contractual terms. These are re-negotiated periodically reflecting the general principle that an on-going business relationship exists with those providers. Examples of these contracts include contracts for primary care, personal health and mental health.

There are also contracts for demand-driven items where the total expenditure is not defined in advance because it is ultimately paid to the individual consumers. Examples of this type of expenditure are pharmaceuticals, subsidy payments to rest homes and carer support relief payments.

The value of the Board's commitment relating to these contracts has not been included in the disclosure above.

Canterbury DHB has under-delivered some elective surgical volumes during 2002/03. The Board will endeavour to make up this shortfall in future years.

14. TRANSACTIONS WITH RELATED PARTIES

a) GOVERNMENT FUNDING

Canterbury DHB is a wholly owned entity of the Crown. The government significantly influences the role of the Canterbury DHB. Canterbury DHB enters into numerous transactions with government departments and other Crown agencies on an arm's length basis. These transactions are not considered to be related party transactions.

b) INTER-GROUP TRANSACTIONS

During the financial year the group had the following inter-group transactions:

	Group		Parent	
	30/06/03 \$'000	30/06/02 \$'000	30/06/03 \$'000	30/06/02 \$'000
Revenue				
Facility fees from Heart Surgery South Island Ltd	-	4,058	-	4,058
Interest on advance and director's fees from Canterbury Laundry Services Ltd	-	-	172	151
Interest on advance and service fees from Brackenridge Estate Ltd	-	-	129	111
Fees from Burwood Rehabilitation Ltd	-	-	-	1,514
Services to Canterbury Laundry Services Ltd	-	-	357	-
Services to Crown Public Health Ltd (prior to amalgamation with Canterbury DHB)	-	-	291	520
Services to New Zealand Centre for Reproductive Medicine Ltd and interest on advance	56	68	56	68
Expenses				
Linen services and rentals from Canterbury Laundry Services Ltd	-	-	3,415	3,413
Services from New Zealand Centre for Reproductive Medicine Ltd	1,042	1,314	1,042	1,314
Services from South Island Shared Services Agency Ltd	429	587	429	587

Interest charged on advances (refer Note 10) to Canterbury Laundry Services Ltd, New Zealand Centre for Reproductive Medicine Ltd and Brackenridge Estate Ltd are at normal borrowing rates. Other balances are at normal trading terms.

The amounts outstanding for all related party transactions as at 30 June 2003 are as follows :

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Amount Payable owing to associates				
South Island Shared Services Agency Ltd	18	-	18	-
NZ Centre for Reproductive Medicine Ltd	95	250	95	250
Burwood Orthopaedic Surgical Services	163	300	163	300
Amount Receivable owing by associates				
South Island Shared Services Agency Ltd	264	416	264	416
Heart Surgery South Island Ltd	-	978	-	978
NZ Centre for Reproductive Medicine Ltd	4	102	4	102
Amount Payable owing to subsidiaries				
Canterbury Laundry Services Ltd	-	-	316	249
Burwood Rehabilitation Ltd	-	-	-	266
Amount Receivable owing by subsidiaries				
Canterbury Laundry Services Ltd – Debtor	-	-	32	14
Canterbury Laundry Services Ltd – Advance	-	-	2,001	2,130
Brackenridge Estate Ltd – Advance	-	-	1,326	999

c) BOARD AND COMMITTEE MEMBERS

During the financial year Canterbury DHB and its subsidiaries have purchased services provided on an arm's length basis by the organisations listed below which fall within the related party definition:

	Group		Parent	
	30/06/03 \$'000	30/06/02 \$'000	30/06/03 \$'000	30/06/02 \$'000
Christchurch City Council	524	609	467	539
DHBNZ	93		93	
Pegasus Health (final amount subject to contract washup)	74,463	74,187	74,463	74,187
New Zealand Post Ltd	599	635	597	598
The Christchurch City Mission	440	375	440	375
Canterbury Asthma Society Inc	39	35	39	35
Breath Testing Services	60	128	60	128
New Zealand Housing Corporation	470	470	-	-
Pacific Trust Canterbury	650	595	650	595
He Oranga Pounamu Charitable Trust	1,321	-	1,321	-
Ryman Healthcare Ltd	30	54	30	54
South Canterbury DHB	65	3	65	3

Canterbury DHB and its subsidiaries have provided the following services on an arm's length basis to the organisations listed below which fall within the related party definition:

	Group		Parent	
	30/06/03 \$'000	30/06/02 \$'000	30/06/03 \$'000	30/06/02 \$'000
Christchurch City Council	13	14	13	-
DHBNZ	10		10	
South Canterbury DHB	597	91	597	13
Champion Centre	9	5	9	5

15. CAPITAL CHARGE

Canterbury DHB incurs a monthly capital charge from the Crown based on the greater of its actual or budgeted closing equity balance for the month. The capital charge rate for the period ended 30 June 2003 was 11.0% (11.0% for the period ended 30 June 2002).

16. FINANCIAL INSTRUMENTS

CREDIT RISK

Financial instruments which potentially subject the group to credit risk consist mainly of cash and short-term investments, accounts receivable, interest rate swaps and foreign currency forward contracts.

The group places its funds and enters into foreign currency forward contracts with high quality financial institutions and limits the amount of credit exposure to any one financial institution.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Ministry of Health. However, the Ministry of Health is a high credit quality entity, being the Government funded purchaser of health and disability support services. As at 30 June 2003, the Ministry of Health owed Canterbury DHB \$46.9 million (\$36.8 million at 30 June 2002).

CURRENCY RISK

The group has low currency risk given that the majority of financial instruments it deals with are in New Zealand dollars. Foreign currency forward exchange contracts are used to manage foreign currency exposure where necessary.

There are no foreign exchange instruments outstanding at 30 June 2003 (30 June 2002 nil).

INTEREST RATE RISK

The group has adopted a policy of having a mixture of long term fixed rate and floating rate debt to fund ongoing activities.

There are no interest rates swaps outstanding at 30 June 2003 (30 June 2002 nil).

FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments recorded in the financial statements have been recorded at their fair values.

17. SEGMENTAL REPORTING

Canterbury DHB operates in the provision of Health and Disability Support Services Industry in the South Island of New Zealand. Therefore, no segmental reporting is required.

18. CONTINGENCIES

Canterbury DHB has the following contingencies at year end:

Claim for a breach of intellectual property

Canterbury DHB has a claim with a third party for a breach of intellectual property. The third party has counter-claimed against Canterbury DHB.

Claim for a breach of patent rights

A third party has indicated that Canterbury DHB has breached their patent rights. This allegation is still in a very early stage and Canterbury DHB is still waiting for a legal opinion.

There were no material contingencies for disclosure in 2001/02.

19. RESIDENTS' TRUST ACCOUNT

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Resident Trust Account Balance	602	582	331	349

Residents' Trust Account comprises bank balances representing funds managed on behalf of Residents of Canterbury DHB. These funds are held in separate bank accounts and any interest earned is allocated to individual patients' balances. Therefore, transactions occurring during the year are not included in the Statement of Financial Performance, Financial Position or Cash Flow of Canterbury DHB.

20. PROVISIONS

	Group		Parent	
	As at 30/06/03 \$'000	As at 30/06/02 \$'000	As at 30/06/03 \$'000	As at 30/06/02 \$'000
Provision for Refurbishment (Brackenridge)				
Opening balance	210	90	-	-
Additional provision made during the year	120	120	-	-
Release of surplus provision	(110)	-	-	-
Charged against provision for the year	-	-	-	-
Closing balance	220	210	-	-

The provision arises from an obligation under a lease agreement with a landlord to redecorate premises at five yearly intervals. The cost of this is accrued on an annual basis.

21. SUBSEQUENT EVENTS

There were no events after 30 June 2003 which could have a material impact on the information in Canterbury DHB's financial statements.

STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE 2002/03

The Canterbury DHB continues to develop measures for the Statement of Service Performance that are appropriate to the needs of our stakeholders within Parliament and the community. These measures and associated performance targets will continue to be reflected in future Statements of Intent and reported in subsequent Statements of Service Performance.

The aim of the Statement of Intent is to demonstrate how the DHB's activities impact on the DHB's primary objective of "improving the health and wellbeing of people living in Canterbury". The measures included in the 2002-2005 Statement of Intent reflect activity in the priority areas identified in the Canterbury DHB Strategic Plan, "Towards a Healthier Canterbury: Directions 2006".

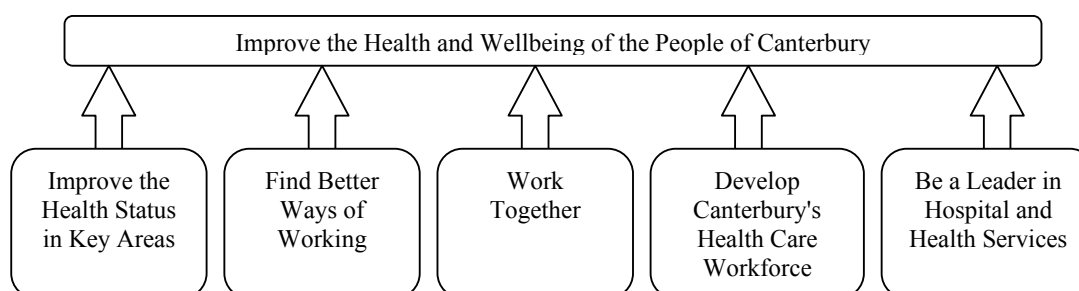
1. STRATEGIC PRIORITIES AND DIRECTIONS

To achieve CDHB's primary objective "To improve the health and wellbeing of people living in Canterbury", the Canterbury DHB is focusing on achieving improved outcomes in the following priority areas:

- Child and Youth Health
- Primary Health
- Māori Health
- Mental Health
- Disease Prevention and Management
- Cardiovascular (Heart) Disease
- Diabetes
- Cancer

In improving health outcomes in these priority areas, as well as in our other areas of work, we are focusing our efforts on the five core directions:

- *Improving the health status of our community* - improve the health outcomes for specific groups in our community.
- *Find better ways of working* - to get the maximum improvement in health status for our community within the available funding and resources.
- *Work together* - to ensure the right service is provided at the right time to obtain the maximum possible health gains for our community.
- *Develop Canterbury's health care workforce* - to ensure that we have the appropriate workforce to meet the health needs of the people of Canterbury.
- *Be a leader in Hospital and Health Services* - to ensure the best possible level of care is provided to maximise the health outcomes for the people of Canterbury.



2. SERVICE OBJECTIVES AND MEASURES

Strategic Plan Priorities

The following indicators reflect the performance measures specified in the 2002/03 Statement of Intent which reflect the Strategic Plan priorities. It should be noted that as the number of Pacific people in the Canterbury DHB district is small (7,254 at the 2001 Census) so the percentages shown below should be interpreted with caution.

2.1 Child and Youth Health

<p>Objective: <i>Improved health status for Canterbury's children and youth. (Long term)</i></p>	<p>Brief Description: Keeping children and youth healthy gives them a better chance of becoming healthy adults. The Canterbury DHB Child Health Strategy (March 2002) identified a range of issues. The DHB is currently in the process of developing a child health action plan to address these issues and also intends to develop a youth health action plan. As these plans are yet to be completed, it has not been possible to develop service objectives and measures, hence the relevant DHB accountabilities to the Minister of Health as outlined in the District Annual Plan, have been included as measures of our performance during the 2002/03 year. (Note: the breast feeding indicator has not been included due to data quality issues)</p>
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<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>
<i>Reduced number of low birth weight babies</i>	Percentage of babies born in public hospital with low birth weight	<ul style="list-style-type: none"> • Māori 7.2% • Pacific 4.9% • Other 6.1% • Total 6.2% 	<ul style="list-style-type: none"> • Māori 6.8% • Pacific 8.5% • Other 5.7% • Total 5.8%¹ <p>It is preferable that fewer babies are born with low birth weight, hence for this indicator, lower is better. The Canterbury DHB achieved its targets for Māori and Other ethnicities and has continued to seek to achieve this target for Pacific peoples. Initiatives such as the Pacific Health Clinic should help achieve this target in the future.</p>
<i>Improved immunisation of Canterbury children</i>	Percentage of children fully vaccinated by their second birthday	<ul style="list-style-type: none"> • Māori 75.0% • Pacific 75.0% • Other 75.0% • Total 75.0% 	This was an indicator required by the Ministry of Health targets which were agreed in our District Annual Plan. However, it is difficult to gather robust information on this indicator and hence we are unable to report on it.

¹ Data is from the National Minimum Data Set, 1 July 2002 – 28 February 2003

<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>
<i>Minimised impact on hearing loss in children</i>	Percentage of children passing school entry hearing tests	<ul style="list-style-type: none"> • Māori 90.0% • Pacific 86.0% • Other 95.0% • Total 94.0% 	<ul style="list-style-type: none"> • Māori 93.3% • Pacific 83.3% • Other 95.3% • Total 94.8%² <p>Provisional data shows the Canterbury DHB achieved its targets for Māori and Other ethnicities and has continued to seek to achieve this target for Pacific peoples. Initiatives such as the Pacific Health Clinic should help achieve this target in the future.</p>
<i>Improved education and treatment of children with asthma</i>	Repeat admission for asthma in children under the age of 5	<ul style="list-style-type: none"> • Māori 5.9% • Pacific 5.5% • Other 5.3% • Total 5.8% 	<ul style="list-style-type: none"> • Māori 6.9% • Pacific 11.1% • Other 4.7% • Total 5.7%³ <p>It is preferable that there are fewer repeat admissions for asthma in children, hence for this indicator and the next one, lower is better. The Canterbury DHB met this target for Other ethnicities and overall and has continued to seek to achieve it for Māori and Pacific peoples.</p>
	Repeat admission for asthma in children between the ages of 5 and 15	<ul style="list-style-type: none"> • Māori 5.6% • Pacific 6.4% • Other 6.0% • Total 5.8% 	<ul style="list-style-type: none"> • Māori 0.0% • Pacific 0.0% • Other 3.5% • Total 3.0%⁴ <p>The Canterbury DHB achieved this target for all ethnicities</p>
<i>Improved child oral health</i>	Mean MF score at Year 8 (Form 2). Total permanent teeth filled or missing due to caries divided by the number seen by the school dental service in the period	<ul style="list-style-type: none"> • Total 1.6 	<ul style="list-style-type: none"> • 1.74 <p>There were 9,181 permanent teeth filled for 5,281 young people giving a mean MF score of 1.74.⁵ It is preferable that there are fewer permanent teeth filled or missing due to caries, hence for this indicator, lower is better.</p> <p>The major factor leading to the Canterbury DHB's unfavourable performance on this measure is the low proportion of Canterbury's population receiving optimally fluoridated water supplies.</p> <p>Another factor that may have led to an increase in filled teeth in this group is the increasing use of radiography for diagnosis of dental caries by the School and Community Dental Service. Radiography allows for earlier diagnosis of cavities and this will (at any age) lead to higher numbers of filled teeth while, paradoxically, improving health – early diagnosis leads to smaller fillings which last longer and cause fewer problems in the future.</p>

² Provisional data from the National Audiology Centre, 1 July 2002 – 30 June 2003

³ Data is from the National Minimum Data Set, 1 July 2002 – 28 February 2003

⁴ Data is from the National Minimum Data Set, 1 July 2002 – 28 February 2003

⁵ Data is from the Canterbury DHB Crown Funding Agreement report Quarter 3 2002/03

<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>
	Percentage of children caries free at age 5	<ul style="list-style-type: none"> • Total 53.6% 	<ul style="list-style-type: none"> • 50% <p>There were 2,547 children at their first publicly funded dental service after their 5th and before their 6th birthday with primary dentition free of caries, with no fillings and with no teeth missing due to caries out of a total of 5,093 children at their first publicly funded dental service. Thus the percentage of children caries free at age 5 is 50.0%⁶.</p> <p>As described above, the major factor leading to the Canterbury DHB’s unfavourable performance on this measure is the low proportion of Canterbury’s population receiving optimally fluoridated water supplies.</p> <p>The School and Community Dental Service continues to improve access to dental services for pre-school children and works with GP practices to achieve this. Measures for increasing the exposure to fluoride among high-risk preschool children are being investigated – these include the supply of fluoridated milk, mouth rinses and tooth brushing programmes.</p>

⁶ Data is from the Canterbury DHB Crown Funding Agreement report Quarter 3 2002/03

2.2 Primary Health

<p>Objective: <i>Reduced barriers to primary health care. (Long term)</i></p>	<p>Brief Description: Reducing the barriers to good primary health care ensures that people stay well resulting in improved health status. During the 2002/03 year Canterbury DHB focused its primary care activities on the following: • Implementation of the Government’s primary health care strategy via the formation of Primary Healthcare Organisations (PHOs) within Canterbury for those populations with the greatest barriers to primary health care. • Implementation of Canterbury DHB’s Rural Health Action Plan (May 2002). In addition to the above, measures of the effectiveness of primary health care, as per the relevant DHB accountabilities to the Minister of Health, as outlined the District Annual Plan, have been included as measures of our performance during the 2002/03 year.</p>
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Objective 2002/03	Performance Measure	Performance Targets	Results
<p><i>Support the establishment of 2 PHOs with the Canterbury District. (One representing rural communities and one representing lower socioeconomic groups in urban Christchurch.)</i></p>	<p>Low income urban PHO</p> <ul style="list-style-type: none"> • PHO Establishment Funding application • PHO established 	<p>December 2002</p> <p>1 July 2003</p>	<p>The first Canterbury DHB PHO, the Canterbury Community PHO started up on 1 July 2003.</p>
	<p>Rural PHO</p> <ul style="list-style-type: none"> • PHO Establishment Funding application 	<p>July 2003</p>	<p>Two establishment funding applications from rural PHOs were received by July 2003. These rural PHOs are presently working towards going starting up on 1 October 2003 or 1 January 2004</p>
<p><i>Improved retention of Rural GPs: reduce onerous on-call rosters for rural GPs. Every GP with a rural ranking of 35 points or more to work no more than 1 in 4 weekends.</i></p>	<p>Percentage of GPs with a rural ranking of greater than 35 points who work no more than a 1 in 4 weekend roster (unless by choice).</p>	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • 100% <p>Canterbury has 32 GPs with a Rural Ranking of 35 points or more. 100% of these work no more than 1 weekend in 4, mainly due to Reasonable Roster Funding and a locum placement scheme funded jointly by Canterbury DHB and the rural general practices.</p> <p>In addition, many rural Canterbury GPs have used the national holiday locum scheme (NZ Locums) to allow them to take 2 or 3 weeks off during the past year.</p>

Objective 2002/03	Performance Measure	Performance Targets	Results
<i>Ambulatory Sensitive Admissions:</i> Ambulatory sensitive admissions are admissions that are potentially preventable by appropriate primary care	Standardised discharge rates for ambulatory sensitive admissions 0 to 4 years of age.	<ul style="list-style-type: none"> • Māori 7.1% • Pacific 9.8% • Other 9.7% • Total 9.8% 	<ul style="list-style-type: none"> • Māori 6.7% • Pacific 10.6% • Other 9.1% • Total 8.8%⁷ <p>It is preferable that there are fewer ambulatory sensitive admissions, hence for this indicator and the next two, being below the target indicates better performance. Therefore since the results for Māori, Other ethnicities and overall are lower than the performance targets, the Canterbury DHB has achieved a good performance for these ethnic groups. The Canterbury DHB has continued to seek to achieve it for Pacific peoples. Initiatives such as the Pacific Health Clinic should help achieve this target in the future.</p>
	Standardised discharge rates for ambulatory sensitive admissions 5 to 14 years of age.	<ul style="list-style-type: none"> • Māori 1.5% • Pacific 2.8% • Other 1.9% • Total 1.9% 	<ul style="list-style-type: none"> • Māori 1.7% • Pacific 2.5% • Other 1.8% • Total 1.8%⁸ <p>Since the results for Pacific people, Other ethnicities and overall are lower than the performance targets, the Canterbury DHB has achieved a good performance for these ethnic groups. The Canterbury DHB has continued to seek to achieve it for Māori. Continued emphasis on improving Māori access to primary care and enhanced Māori service development should help achieve this target in the future.</p>
	Standardised discharge rates for ambulatory sensitive admissions 15 to 25 years of age.	<ul style="list-style-type: none"> • Māori 1.1% • Pacific 1.2% • Other 1.2% • Total 1.2% 	<ul style="list-style-type: none"> • Māori 1.1% • Pacific 1.4% • Other 1.2% • Total 1.2%⁹ <p>Since the results for Māori, Other ethnicities and overall overall are equal to the performance targets, the Canterbury DHB has achieved a good performance for these ethnic groups. . The Canterbury DHB has continued to seek to achieve it for Pacific peoples. Initiatives such as the Pacific Health Clinic should help achieve this target in the future.</p>

⁷ Data from Crown Funding Agreement Report – Quarter 4 2002/03

⁸ Data from Crown Funding Agreement Report – Quarter 4 2002/03

⁹ Data from Crown Funding Agreement Report – Quarter 4 2002/03

2.3 Māori Health

<p>Objective: <i>Whanau Ora</i> Māori families supported to achieve their maximum health and wellbeing. (Long Term)</p>	<p>Brief Description: Evidence of Māori health disparities is well known and compelling and to address these health disparities, the Canterbury DHB has developed a Māori Health Plan (July 2002), <i>Whakamahere Hauora Māori Ki Waitaha</i>. This plan identifies a number of strategic issues, namely:</p> <ul style="list-style-type: none"> • Support of the Government’s commitment to the Treaty of Waitangi • Māori participation in health planning, service provision and the workforce • Effective, culturally appropriate and high quality services • Monitoring of Māori health outcomes • Working across sectors <p>During the 2002/03 year Canterbury DHB intends to focus its efforts on acting on these directions, improving data quality to support future developments and reducing health disparities for Māori in the other DHB priority areas.</p>
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Objective 2002/03	Performance Measure	Performance Targets	Results
<p><i>Monitoring of Māori health outcomes.</i> Lack of accurate collection of ethnicity data currently is a significant barrier to achieving this objective. The DHB therefore plans to implement accurate ethnicity data collection throughout CDHB</p>	<p>Completion of “baseline” ethnicity data collection accuracy.</p> <p>Ethnicity data collection policy completed</p>	<p>Review completed by 30 June 2003</p> <p>Policy completed 30 June 2003</p>	<p>The baseline Ethnicity Data Collection review has been completed across 6 provider arm divisions and 16 service areas.</p> <p>The policy was signed off by the Canterbury DHB Executive Management Team in June 2003. A review was undertaken in the provider arm to determine the baseline situation.</p> <p>An action plan has been developed to implement the recommendations made in the review; implementation will begin mid-September 2003.</p>
<p><i>Reduced health inequalities:</i> Māori Service Development in priority areas eg. Diabetes, Cancers, Cardiovascular disease, Child Health etc</p>	<p>Refer to the relevant section of this document. Where data is available Māori specific targets have been provided.</p>	<p>See relevant Performance Indicators</p>	<p>Māori Health Indicators Project underway</p>

2.4 Mental Health

<p>Objective: <i>Improved Health Status for Canterbury Residents who have a serious ongoing mental illness. (Long Term)</i></p>	<p>Brief Description: About 3% of New Zealanders have a serious ongoing mental illness, which requires specialist care and treatment by a range of health and social service providers. Canterbury DHB plans to continue towards implementing the Mental Health Strategy and Blueprint for Mental Health Services and the Youth Suicide strategies and guidelines. Canterbury DHB intends to develop a plan for the further implementation of these strategies.</p>
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Objective 2002/03	Performance Measure	Performance Targets	Results																								
<p><i>Mental Health Volume Delivery:</i> Delivery of a level of publicly funded services in line with the Mental Health funding “ring-fence”</p>	<p>Funding weighted volumes delivered as a percentage of the value of Mental Health funding in the Canterbury DHB District Annual Plan.</p>	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • 100% allocation of the ringfenced funding to providers <p>There were a number of transfers of Mental Health funding between DHBs as a result of the devolution of national and regional contracts, as requested by the “receiving” DHBs. This had an impact on the level of the “ring-fence” but not on our ability to meet funding levels.</p>																								
<p><i>Improved access to Mental Health Services:</i> The New Zealand Mental Health Strategy sets targets for access to treatment and support services for people of different age groups with severe mental illness.</p>	<p>Percentage of people within each age group accessing mental health treatment and support services</p>	<table border="0"> <tr> <td>• 0-9</td> <td>0.2%</td> </tr> <tr> <td>• 10-14</td> <td>0.6%</td> </tr> <tr> <td>• 15-19</td> <td>0.8%</td> </tr> <tr> <td>• 20-64</td> <td>1.0%</td> </tr> <tr> <td>• 65+</td> <td>0.1%</td> </tr> <tr> <td>• Total</td> <td>0.7%</td> </tr> </table>	• 0-9	0.2%	• 10-14	0.6%	• 15-19	0.8%	• 20-64	1.0%	• 65+	0.1%	• Total	0.7%	<p>Average annual percentages for April 2002 – March 2003</p> <table border="0"> <tr> <td>• 0-9</td> <td>0.3%</td> </tr> <tr> <td>• 10-14</td> <td>0.6%</td> </tr> <tr> <td>• 15-19</td> <td>0.8%</td> </tr> <tr> <td>• 20-64</td> <td>1.0%</td> </tr> <tr> <td>• 65+</td> <td>0.2%</td> </tr> <tr> <td>• Total</td> <td>0.8%¹⁰</td> </tr> </table> <p>The percentage of people within each age group accessing mental health treatment and support services was greater than or equal to each target.</p>	• 0-9	0.3%	• 10-14	0.6%	• 15-19	0.8%	• 20-64	1.0%	• 65+	0.2%	• Total	0.8% ¹⁰
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¹⁰ Data from Crown Funding Agreement Report – Quarter 4 2002/03

<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>
<p><i>Regional Services Development:</i> Work with South Island Mental Health Network to continue to develop Mental Health Services in the South Island</p>	<p>Progress agreed mental health projects:</p> <ul style="list-style-type: none"> - Alcohol & Drug - Forensic - Workforce <p>Progress Memorandum of Understanding with South Island DHBs re regional provision of psychiatric services</p>	<ul style="list-style-type: none"> • Actions agreed • Memorandum of Understanding progressed 	<ul style="list-style-type: none"> • South Island Alcohol and Other Drug (AOD) Service Review <ul style="list-style-type: none"> ◆ Consultation completed. Forums for providers at Liaison on Alcohol and Other Drugs (LOAD) meetings and specific consumer forums have been held in all DHBs except South Canterbury, including attendance by Project Manager at South Island AOD hui for Māori where review was discussed. ◆ Final face to face meeting of the Project Reference group to consider amendments in response to consultation. ◆ Amended report and service development objectives was completed for distribution to the South Island Mental Health Network on 7 July 2003. • Forensic Regional Services Development Project <ul style="list-style-type: none"> ◆ Governance group now teleconferencing on a fortnightly basis. ◆ Workplan implementation underway ◆ Discussion has been resumed with the Ministry of Health on obtaining additional forensic funding identified for the South Island in 2002/03 • South Island Workforce Working Group <ul style="list-style-type: none"> ◆ Intermediate Level Training – Shared Care – West Coast and Nelson training has been completed. No feedback re evaluation yet. Formal evaluation report due at completion of training (31 July 2003). Canterbury, Otago and Southland sessions currently being organised. • Yes, the Memorandum of Understanding is being progressed
<p><i>CDHB Strategic Development:</i> Complete CDHB Mental Health Strategy</p>	<p>Develop a CDHB Mental Health Strategy which reflects Non Governmental Organisations (NGOs), Primary Care and Provider Arm integration</p>	<ul style="list-style-type: none"> • Plan completed 	<p>Plan is under development. The expected completion date is December 2003</p>

<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>
<p><i>Service Review:</i> Review of Residential Accommodation and Respite Care</p>	Complete Review	<ul style="list-style-type: none"> Review completed and Implementation Plan written 	<p>Implementation Plan completed. Implementation is underway across 6 areas. These are:</p> <ul style="list-style-type: none"> Improve engagement with sector Increase Kaupapa Māori Residential Rehabilitation Services Complete the reviews of Respite Care and Needs Assessment and Service Co-ordination Re-provision/exit of Residential Rehabilitation Accommodation provided by the Canterbury DHB provider arm Mental Health Services Improve integration with Primary Care Complete, agree and implement Canterbury DHB Mental Health Strategy

2.5 Disease Prevention and Management – Cardiovascular (Heart) Disease

<p>Objective: Improved health status for Canterbury's Residents who are at risk of developing or have developed Cardiovascular disease (Long Term)</p>	<p>Brief Description: Cardiovascular disease has been identified by the Canterbury DHB as a priority area for improving the health status of the people of Canterbury. The Canterbury DHB is currently in the process of developing a strategy for the management of Cardiovascular disease in Canterbury. As this plan is yet to be completed, it has not been possible to develop service objectives and measures, hence the relevant DHB accountabilities to the Minister of Health, as outlined the District Annual Plan, have been included as measures of our performance during the 2002/03 year.</p>
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Objective 2002/03	Performance Measure	Performance Targets	Results
Reducing the Impact of Cardiovascular Disease	Percentage of people with certainty who waited for no more than 6 months for coronary artery bypass graft.	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • 100% Patients were not sent letters informing them of their status until after 30 June 03
	Percentage of people with certainty who waited for no more than 6 months for an angioplasty.	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • 98.1% As at 30 June 2003, only 2 patients had waited for more than 6 months. However, both patients are “on hold” due to either personal or clinical reasons.
	Repeat admissions for acute rheumatic fever in people under 30 years of age	<ul style="list-style-type: none"> • Māori • Pacific • Other • Total 29.3% 	<ul style="list-style-type: none"> • Māori 11.1% • Pacific 0.0% • Other 9.2% • Total 9.1%¹¹ It is preferable that there are fewer repeat admissions, hence for this indicator, lower is better. The Canterbury DHB met this performance target across all ethnic groups.

¹¹ Data is from National Minimum Data Set 1 July 2002 – 28 February 2003

2.6 Disease Prevention and Management - Cancer

<p>Objective: Improved health status for Canterbury's Residents who are at risk of developing or have developed Cancer (Long Term)</p>	<p>Brief Description: Cancer has been identified by the Canterbury DHB as a priority area for improving the health status of the people of Canterbury. The Canterbury DHB is currently in the process of developing a strategy for the management of Cancer in Canterbury. As this plan is yet to be completed, it has not been possible to develop service objectives and measures, hence the relevant DHB accountability to the Minister of Health, as outlined the District Annual Plan, has been included as measures of our performance during the 2002/03 year.</p>
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Objective 2002/03	Performance Measure	Performance Targets	Results												
<p>Reducing the impact of Cancer.</p>	<p>Improved Access to Radiation Therapy.</p>	<p>Number of patients who: Started treatment on time (within 4 weeks) Waited 4 - 8 weeks Waited 8 -12 weeks Waited >12 weeks</p> <ul style="list-style-type: none"> • 100% • 0% • 0% • 0% 	<p>Patients who need radiotherapy are categorised into 4 groups: Group A These patients are emergencies who need urgent treatment and they are treated within 24 hours Group B Treatment for these patients is potentially curative. They are fit for radical radiation treatment and should be treated within 2 weeks Group C All other patients, including those being treated for breast and prostate cancer and for palliative treatment should be treated within 4 weeks Group D These patients have planned radiation treatment because they are taking part in a trial or because there are given protocols. These patients have to wait until a given time to start treatment which is not usually within 4 weeks</p> <p>The Canterbury DHB has continued to seek to achieve the target of 100% of patients being treated within 4 weeks. The reasons for delay are related mainly to resource issues with treatment capacity etc. However some delays are also due to patient preference, other co morbidities and/or treatments, the need for further tests, specific start dates for protocol reasons etc.</p> <p style="text-align: right;">The actual number of patients in each category was:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border: none;">• 64.1%</td> <td style="width: 50%; border: none; text-align: right;">768</td> </tr> <tr> <td style="border: none;">• 20.8%</td> <td style="border: none; text-align: right;">249</td> </tr> <tr> <td style="border: none;">• 10.7%</td> <td style="border: none; text-align: right;">128</td> </tr> <tr> <td style="border: none;">• 4.4%</td> <td style="border: none; text-align: right;">53</td> </tr> <tr> <td style="border: none;">-----</td> <td style="border: none; text-align: right;">-----</td> </tr> <tr> <td style="border: none;">• 100.0%</td> <td style="border: none; text-align: right;">1198</td> </tr> </table> <p>NOTE: these figures do not include 118 category D patients as they all have specific start dates for protocol reasons. (Therefore this group of patients started treatment on time but not all of them started within 4 weeks.) Therefore the total patients seen is 1198 + 118 = 1316</p>	• 64.1%	768	• 20.8%	249	• 10.7%	128	• 4.4%	53	-----	-----	• 100.0%	1198
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-----	-----														
• 100.0%	1198														
	<p>Delay to radiotherapy is defined as the time elapsing between the specialist decision to commence radiotherapy and the start of treatment</p>														

2.7 Disease Prevention and Management - Diabetes

<p>Objective: <i>Improved health status for Canterbury's residents who are at risk of developing or have developed Diabetes (Long Term)</i></p>	<p>Brief Description: Diabetes has been identified by the Canterbury DHB as a priority area for improving the health status of the people of Canterbury. To achieve this objective a number of areas for action exist, namely:</p> <ul style="list-style-type: none"> • Health promotion, • Early detection, • Effective treatment, • Patient knowledge/information <p>In Canterbury the greatest benefit is considered to be gained through a range of actions, which include early diagnosis and treatment of eye problems, foot problems and improved access for Māori. (Refer to “Diabetes in the Canterbury DHB: Sept 2002”, for a full list of priorities). During the 2002/03 year, the CDHB intends primarily to focus its activities on improving performance in the level of retinal screening while continuing to encourage the detection and management of Diabetes within the community. The Canterbury DHB has concerns about the data presented below and is of the opinion that these figures understate the numbers of people having annual diabetes reviews who had their eyes screened in the last two years.</p>
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Objective 2002/03	Performance Measure	Performance Targets	Results								
<p><i>Early diagnosis and treatment of eye problems: Increase the proportion of people with diabetes who have had their eyes screened in the last two years</i></p>	<p>The percentage of people having annual diabetes reviews who have had their eyes screened in the last two years</p>	<ul style="list-style-type: none"> • Total 65% 	<p>The Local Diabetes Team report on this target in their annual reports. For the period 1 January 2002 to 31 December 2002 they reported 41%. The target was not achieved.</p> <p>As outlined in the 3rd quarter Crown Funding Agreement report, the Canterbury DHB has identified Diabetes as one of its priority areas for action in the Strategic Plan (2002-2006). One of the action points to achieve population health gains in this area is to increase access to retinal screening and eye treatments. Funding for an immediate increase in volumes was provided from October 2002. Delivered volumes in the provider arm increased from 1,803 in 200/01 to 4,702 in 2002/03 as shown below and these volumes do not include screens completed in the community by optometrists and private ophthalmologists.</p> <div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <caption>Retinal Screens Delivered in the Provider Arm</caption> <thead> <tr> <th>Year</th> <th>Number of screens delivered</th> </tr> </thead> <tbody> <tr> <td>2000/01</td> <td>1,803</td> </tr> <tr> <td>2001/02</td> <td>2,489</td> </tr> <tr> <td>2002/03</td> <td>4,702</td> </tr> </tbody> </table> </div>	Year	Number of screens delivered	2000/01	1,803	2001/02	2,489	2002/03	4,702
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Objective 2002/03	Performance Measure	Performance Targets	Results
<p><i>Improved Diabetes Detection:</i> Increasing the proportion of people with diabetes who receive annual checks and the associated primary care.</p>	<p>The percentage of the expected number of people with diabetes in the Canterbury region who have been diagnosed with diabetes and had an annual review during the year. (Expected numbers of people with diabetes in Canterbury:</p> <ul style="list-style-type: none"> • Māori 986 • Pacific 218 • Other 10,172 • Total 11,376) 	<ul style="list-style-type: none"> • Māori 50% • Pacific 55% • Others 55% • Total 54% 	<ul style="list-style-type: none"> • Māori 37% • Pacific 76% • Other 72% • Total 69% <p>The Canterbury DHB has provided increased funding for primary health care and health promotion for people with diabetes and has provided increased hours for the Maori health nurse in the Diabetes Centre. This has resulted in a 45% increase in the number of people who had annual checks in the calendar year 2002 over the previous year from 5,428 to 7,830, which represents 69% of the expected number of people with diabetes according to the Ministry of Health's model.</p> <p>The Canterbury DHB has more than reached this target for Pacific people, other ethnicities and overall and has continued to seek to achieve it for Māori. The Canterbury DHB is committed to improving Māori access to primary care and is continuing to support the Māori and Pacific Peoples Leadership Programme. This, together with the development of Te Amorangi Richmond, improved ethnicity data collection and continuing work by Diabetes Life Education should help achieve this target in the future.</p>
<p><i>Improved Diabetes Management:</i> Reducing the proportion of people with diabetes who have relatively poor control of their diabetes</p>	<p>The percentage of people having annual diabetes reviews who had poor diabetes control (HbA1c>8%)</p>	<ul style="list-style-type: none"> • Māori 35% • Pacific 40% • Others 22% • Total 24% 	<ul style="list-style-type: none"> • Māori 49% • Pacific 58% • Others 26% • Total 27% <ul style="list-style-type: none"> • The Canterbury DHB has continued to seek to achieve these targets but to date these have not been achieved. Again, initiatives aimed at improving Māori access to primary care and to improved knowledge about the importance of good nutrition and exercise should help the Canterbury DHB meet these targets in the future.

3. OTHER DHB MEASURES OF PERFORMANCE

3.1 Elective Services

<p>Objective: <i>Improved health status for Canterbury's residents via the provision of services in a timely manner within the available resources for those with the greatest level of need. (Medium Term)</i></p>	<p>Brief Description: Access to outpatients services and elective surgery has been an ongoing issue for Canterbury DHB. The funding and human resources available to the DHB are limited and are not sufficient to meet all of the demand for health services. We must therefore prioritise services. CDHB intends to continue the implementation of the Governments policies in relation to elective services which include:</p> <ul style="list-style-type: none"> • The provision of timely access to specialist assessment and elective surgery. • The delivery of a level of publicly funded service which is sufficient to ensure access to elective surgery before patients reach a state of unreasonable distress, ill health.
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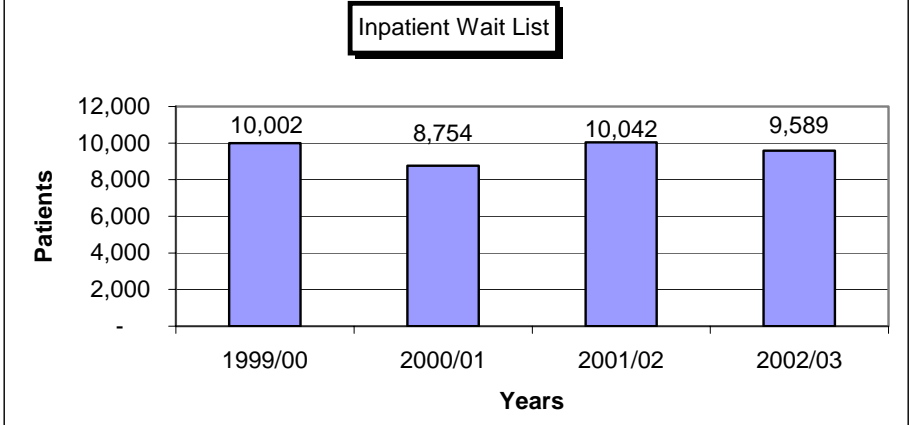
Objective 2002/03	Performance Measure	Performance Targets	Results
<p>Improved access to first specialist assessment: Reduced waiting lists for first specialist assessments so that all appropriately referred patients can be assessed within appropriate timeframes.</p>	<p>Percentage of patients who receive their first specialist assessment within six months of referral</p>	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • Of the new patients seen during the year, 87% waited less than 6 months. Canterbury DHB has continued to seek to achieve the target level of performance though to date this has not been achieved. At the end of the year there were 3,813 whom we had not seen who had waited longer than 6 months. This reflects approximately 1.25 months work at current activity levels. <p>Four specialties performed near¹² this target: Dental, Oncology, Renal Medicine and Thoracic Surgery. Specialties not performing at this target were Cardiology, Cardiothoracic, Dermatology, Diabetes, Endocrinology, Endoscopy, ENT, Gastroenterology, General Medicine, General Surgery, Gynaecology, Haematology, Infectious Diseases, Neurology, Neurosurgery, Ophthalmology, Orthopaedics, Paediatric Medicine, Paediatric Surgery, Pain, Plastics, Respiratory, Rheumatology, Urology and Vascular.</p>

¹² Near target is defined as >95% of patients seen within 6 months and the number waiting longer than 6 months at the end of the period being <4% of annual throughput which is equivalent to 2 weeks activity

<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>										
			<div data-bbox="1010 334 1913 781"> <table border="1"> <caption>Outpatient Wait List (Excludes Endoscopies)</caption> <thead> <tr> <th>Year</th> <th>Patients</th> </tr> </thead> <tbody> <tr> <td>1999/00</td> <td>14,977</td> </tr> <tr> <td>2000/01</td> <td>13,184</td> </tr> <tr> <td>2001/02</td> <td>17,542</td> </tr> <tr> <td>2002/03</td> <td>12,478</td> </tr> </tbody> </table> </div> <p data-bbox="999 821 1934 906">The graph above shows the numbers of people on the outpatient waiting list from 1999/00 to 2002/03. The fall in numbers from 2001/02 to 2002/03 is because the Canterbury DHB has changed the way in which it manages the waiting list.</p>	Year	Patients	1999/00	14,977	2000/01	13,184	2001/02	17,542	2002/03	12,478
Year	Patients												
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<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>
<p>Improved certainty of treatment: <i>Provide patients requiring elective inpatient surgery with certainty that they will/will not receive access to publicly funded inpatient surgery. Provide timely access for those offered surgery.</i></p>	<p>Percentage of patients provided with certainty of treatment (“definite”) that receive treatment within 6 months.</p>	<ul style="list-style-type: none"> • 100% 	<p>Canterbury DHB provides patients with two levels of certainty for publicly funded treatment: “definite” cases, who are offered certainty of treatment within 6 months and “probable” cases who are considered likely to receive publicly funded treatment within 12 months.</p> <ul style="list-style-type: none"> • 92% <p>At the end of the year, 92% of patients who were provided with certainty of treatment within 6 months (“definite” cases) received treatment within 6 months¹³.</p> <p>Of the 8% who were not treated within 6 months 4.25% have either been treated or removed outside the 6 month time period, 3.75 % are either booked or waiting for treatment. There are a number of reasons why these people were not treated within 6 months:</p> <ul style="list-style-type: none"> • The patient is awaiting a staged procedure which requires other prior treatment or investigations. • The patient has been offered dates for surgery but was unavailable or unfit at the time. • The patient is on hold awaiting further assessment or has deteriorated while waiting and requires review prior to admission. • The patient requires subspecialty or cross-service treatment requiring co-ordination of resources and post-discharge services (eg: requires bed at Burwood for post-surgery rehabilitation). <p>The above explanations apply to a small group of patients. This group is monitored closely to ensure that their treatment is provided as soon as possible even if - as in these cases - the wait is slightly longer than 6 months.</p> <p>Because of these scenarios it is not possible to guarantee 100% of patients who have been given certainty will receive surgery within the timeframe because many of these factors cannot be predicted at the time of offering certainty but develop during the waiting period of 6 months.</p>

¹³ Note these statistics do not include Christchurch Women’s Hospital due to information issues that prevent these measures from being calculated.

<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>										
	Percentage of patients in active review (“probable”) that receive treatment within 6 months.	60%	<ul style="list-style-type: none"> • 31% Of patients who were considered likely to receive treatment within 12 months (“probable” cases) 31% did not wait longer than 6 months. 1,408 Active Review patients received treatment within 6 months										
			There are 943 “probable” patients and 321 “definite” patients who are overdue for surgery as at 30 June 2003. There are no patients as at 30 June 2003 who have “Expired” letters. All waiting list patients received a letter as at 28 May 2003. The inpatient waitlist numbers have remained relatively unchanged over the period 1999/00 to 2002/03.										
			<div style="text-align: center;"> Inpatient Wait List </div>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Inpatient Wait List Data</caption> <thead> <tr> <th>Year</th> <th>Number of Patients</th> </tr> </thead> <tbody> <tr> <td>1999/00</td> <td>10,002</td> </tr> <tr> <td>2000/01</td> <td>8,754</td> </tr> <tr> <td>2001/02</td> <td>10,042</td> </tr> <tr> <td>2002/03</td> <td>9,589</td> </tr> </tbody> </table>	Year	Number of Patients	1999/00	10,002	2000/01	8,754	2001/02	10,042	2002/03	9,589
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2002/03	9,589												

Objective 2002/03	Performance Measure	Performance Targets	Results														
<p><i>Surgical Volume</i> <i>Delivery:</i> Delivery of a level of publicly funded inpatient surgical volumes at the levels specified in the Canterbury DHB District Annual Plan.</p>	<p>Case weighted discharges delivered as a percentage of the volumes specified in the Canterbury DHB District Annual Plan.</p>	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • 95% <p>Surgical case-weighted volumes (discharges) delivered during the 2002/2003 year were 5% below the target level of delivery.</p> <p>Dental has delivered over their funded case-weighted volumes. General Surgery, Cardiothoracic, Gynaecology, Neurosurgery, Paediatric Surgery and Urology have delivered near (less than 4% below) their funded case-weighted volumes. The remaining specialities have under-delivered against the funded case-weighted volumes by the following percentages:</p> <ul style="list-style-type: none"> • Otolaryngology 7% • Ophthalmology 12% • Orthopaedics 9% • Plastics & Burns 15% <p>Case weighted discharges fell after 2000/01 because special funding which had been made available to clear waiting times finished that year.</p> <div data-bbox="1003 751 1860 1192" style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;">Surgical Case Weighted Discharges</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Cost Weighted Discharges</th> </tr> </thead> <tbody> <tr> <td>1997/98</td> <td>29,770</td> </tr> <tr> <td>1998/99</td> <td>31,252</td> </tr> <tr> <td>1999/00</td> <td>33,550</td> </tr> <tr> <td>2000/01</td> <td>33,900</td> </tr> <tr> <td>2001/02</td> <td>29,558</td> </tr> <tr> <td>2002/03</td> <td>30,317</td> </tr> </tbody> </table> </div>	Year	Cost Weighted Discharges	1997/98	29,770	1998/99	31,252	1999/00	33,550	2000/01	33,900	2001/02	29,558	2002/03	30,317
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3.2 Hospital Efficiency and Effectiveness

<p>Objective: <i>To be an efficient and effective provider of health services to maximise the health status of Canterbury's residents within the available resources.</i></p>	<p>Brief Description: The DHB is a major provider of Health Service (as well as the funder of the majority of hospital and community Personal and Family Health Services and Mental Health services) to Canterbury residents. As a provider of health services the DHB must ensure that it operates in an effective and efficient manner.</p>
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Objective 2002/03	Performance Measure	Performance Targets	Results
<p><i>Improved performance as a Good employer.</i> Initiate systems and processes to promote a good working environment that encourages a management style that is more open, inclusive and transparent and that fosters a true partnership between staff, and between staff and management.</p>	<ul style="list-style-type: none"> ▪ Sick Leave Rate (As per balanced scorecard) 	3.3%	The Canterbury DHB achieved this target as the sick leave rate for 2002/03 was 3.3%.
	<ul style="list-style-type: none"> ▪ Work Place Injuries per 1,000,000 hours (As per balanced scorecard) 	15	<p>The Canterbury DHB has continued to seek to achieve this level of performance but narrowly missed achieving it this year: the number of Work Place Injuries was 16.3 per 1,000,000 hours in 2002/03.</p> <p>Note that the target was incorrectly recorded in the Statement of Intent as 0.15</p>
<p><i>Improved Quality.</i> Achieve and maintain Quality Health New Zealand Accreditation for all DHB Hospitals. (Long term)</p>	<p>Maintain accreditation at Ashburton, Akaroa, Waikari, Darfield, Burwood and Christchurch Women's Hospitals.</p>	<p>100% of facilities maintain current accreditation status</p>	<p>The Canterbury DHB has achieved this target.</p>

<i>Objective 2002/03</i>	<i>Performance Measure</i>	<i>Performance Targets</i>	<i>Results</i>
	Achieve accreditation for Christchurch, Kaikoura, and Oxford Hospitals along with the Mental Health and Older Persons Health Services	On target for accreditation as follows: <ul style="list-style-type: none"> ▪ Kaikoura and Oxford first survey Nov 2003 ▪ Christchurch Survey October 2004 ▪ Mental Health and Older Persons Health Survey October 04 	The Canterbury DHB is on target to achieve accreditation for these hospitals and services.
Maintain Accreditation of Support Services with International Accreditation New Zealand. (Laboratory accreditation to ISO15189 Quality Management in Medical Laboratories. Others ISO9000 series quality standards)	Maintain accreditation for CDHB's Laboratories, Technical Services, Physiotherapy (Christchurch Hospital) and Medical Physics and Bio-engineering.	<ul style="list-style-type: none"> ▪ 100% of services maintain current accreditation status 	The Canterbury DHB has achieved this target.

Objective 2002/03	Performance Measure	Performance Targets	Results										
Maintain appropriate levels of Clinical Quality within CDHB Hospitals	Hospital Acquired Bacteraemia Rate per 100 inpatient days (Christchurch, Burwood, Womens & Ashburton Hospitals only)	<ul style="list-style-type: none"> 0.50 	<div data-bbox="1010 334 1948 857"> <table border="1"> <caption>Hospital Acquired Bacteraemia Rate</caption> <thead> <tr> <th>Year</th> <th>Rate 100 Inpatient Days</th> </tr> </thead> <tbody> <tr> <td>1999/00</td> <td>0.37</td> </tr> <tr> <td>2000/01</td> <td>0.40</td> </tr> <tr> <td>2001/02</td> <td>0.50</td> </tr> <tr> <td>2002/03</td> <td>0.50</td> </tr> </tbody> </table> </div> <p data-bbox="999 867 1661 894">Initiatives developed in 2002/03 have stopped the rise of this rate.</p>	Year	Rate 100 Inpatient Days	1999/00	0.37	2000/01	0.40	2001/02	0.50	2002/03	0.50
Year	Rate 100 Inpatient Days												
1999/00	0.37												
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	IV Medication Error Rate per 1000 inpatient days (Christchurch, Burwood, Womens & Ashburton Hospitals only)	<ul style="list-style-type: none"> 1.38 	<div data-bbox="1010 902 1948 1352"> <table border="1"> <caption>Medication Error Rate</caption> <thead> <tr> <th>Year</th> <th>Rate per 1000 Inpatient Days</th> </tr> </thead> <tbody> <tr> <td>1999/00</td> <td>1.12</td> </tr> <tr> <td>2000/01</td> <td>1.38</td> </tr> <tr> <td>2001/02</td> <td>1.17</td> </tr> <tr> <td>2002/03</td> <td>1.38</td> </tr> </tbody> </table> </div> <p data-bbox="999 1362 1906 1390">The IV medication error rates have remained relatively unchanged over this 4 year period.</p>	Year	Rate per 1000 Inpatient Days	1999/00	1.12	2000/01	1.38	2001/02	1.17	2002/03	1.38
Year	Rate per 1000 Inpatient Days												
1999/00	1.12												
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4. SUMMARY OF REVENUES AND EXPENSES BY OUTPUT CLASS

	Funding \$'000	Governance & Funding Admin \$'000	Provider \$'000	In House Elimination \$'000	Total DHB \$'000
Revenue					
MoH revenue	639,584	3,024	458,370	(429,159)	671,819
Patient Related Revenue			21,951		21,951
Other			11,616		11,616
Total Revenue	639,584	3,024	491,937	(429,159)	705,386
Expenditure					
Personnel		1,708	320,224		321,932
Depreciation		16	21,279		21,295
Interest			6,623		6,623
Capital Charge			14,395		14,395
Other	635,611	1,253	143,841	(429,159)	351,546
Total Expenditure	635,611	2,977	506,362	(429,159)	715,791
Net Surplus/(Deficit)	3,973	47	(14,425)	-	(10,405)

Note - The surplus for the Funding arm mainly relates to the volumes short delivered by the Provider arm.

GLOSSARY OF TERMS

Accreditation	Achievement against a national system of standards.
Audit	The verification of performance against predetermined standards or contracts by a process of inspections, interviews and appraisal of documentation.
Brachytherapy	Type of radiation therapy in which radioactive materials are placed in direct contact with the tissue being treated.
Brackenridge Estate Limited	Brackenridge Estate Limited a wholly owned subsidiary of Canterbury District Health Board, provides residential care services to people with intellectual disability and high dependency needs including day programmes.
CAPEX	Capital expenditure budget
Cardiothoracic	Relating to the heart or chest
Community	A collective of people identified by their common values and mutual concern for the development and wellbeing of their group or geographical area.
CNS	Clinical Nurse Specialist
Cohort	Generational group as defined in demographics, statistics, or market research: "The cohort of people aged 30 to 39... were more conservative" (American Demographics).
Consultation	The process of seeking the views of individuals or groups. These include both providers and health service users.
COSE	Co-ordinator of Services for the Elderly
CPH	Community and Public Health
CPHAC	Community and Public Health Advisory Community
Credentiailling	Credentiailling in the New Zealand context is defined as 'a process used to assign specific clinical responsibilities to health professionals on the basis of their training, qualifications, experience and current practice, within an organisational context'. Credentiailling is part of a wider organisational quality and risk management system designed primarily to protect the patient.
CWD	Cost Weighted Discharges - Measure of relative patient's utilisation of resources.
DAA	Designated Audit Agency
Disability	Incapacity caused by congenital state, injury or age-related condition expected to last six months or more. A disability may or may not be associated with the need for assistance.
Disparity (or deprivation)	Socio-economic or health inequality or difference relative to the local community or wider society to which an individual, family or group belongs.
District Health Boards	District Health Boards are organisations being established to protect, promote and improve the health and independence of a geographically defined population. Each District Health Board will fund, provide or ensure the provision of services for its population.
DSAC	Disability Support and Advisory Committee
DSD	Disability Services Directorate
DSP	District Strategic Plan
DSS	Disability Support Services
EEO	Equal Employment Opportunities
EMT	Executive Management Team
Equity	Fairness

Evaluation	Assessment against a standard. Evaluations can assess both the process (of establishing a programme to deliver an outcome) and outcomes (ultimate objectives).
FTE	Full time equivalent
Funding Agreement	This is the agreement the Crown enters into with any person or entity under which the person or entity agrees to provide or arrange the provision of services in return for payment. For District Health Boards, this will include the District Health Board Annual Plan, funding schedules and the District Health Board Statement of Intent.
General Surgery	General and Vascular Surgery at Christchurch Hospital provides tertiary services to general, vascular and transplant services. Approx 60% acute workload. Treats mainly non deferrable malignant life and limb threatening disease of upper and lower gastro-intestinal system, breast, endocrine and perivascular systems, primarily malignant disease.
Goal	A high level strategic statement.
Gynaecology	Disease and hygiene of women
HbA1c	Haemoglobin A1c; also known as glycated haemoglobin . The level of HbA1c reflects the average blood glucose level over the past 3 months.
Health Needs	This can be either: 1) what an individual requires to achieve or maintain health; or 2) an estimation of the programmes required to improve the health of populations.
Health Needs Assessment	A process designed to establish the health requirements of a particular population.
Health Outcomes	A change in the health status of an individual, group or population which is attributable to a planned programme or series of programmes, regardless of whether such a programme was intended to change health status.
Health Policy	A formal statement or procedure within institutions (notably government) that defines priorities and the parameters for action.
Health Status	A description and/or measurement of the health of an individual or population.
HOPS	Health of Older People Strategy
HPCA	Health Practitioners Competency Assurance
HWAC	Health Workforce Advisory Committee
Iwi	Tribe
KPIs	Key Performance Indicators
LOS	Length of Stay
Medical Credentialling	Medical credentialling refers to the process of permitting an individual physician to practice in a particular hospital, clinic or other medical practice setting.
MoU	Memorandum of Understanding
MPIA	Ministry of Pacific Island Affairs
Neurosurgery	Surgery of the nervous system
NIR	National Immunisation Register
Objective	Objectives state what is to be achieved and cover the range of desired outcomes to achieve a goal.
OPH	Older Persons Health
Ophthalmology	Eye surgery

Orthopaedic	Prevention or correction of injuries or disease of the skeletal system and associated muscles, joints and ligaments.
Otolaryngology	Ear, nose, throat surgery
PACs	Picture Archiving and Communications System
Pacific Peoples	The population of Pacific Island ethnic origin (for example, Tongan, Niuean, Fijian, Samoan, Cook Island Maori, and Tokelauan) incorporating people of Pacific Island ethnic origin born in New Zealand as well as overseas.
Partnership	The relationship of good faith, mutual respect and understanding and shared decision making between the Crown and Maori.
Performance Indicator	A measure that shows the degree to which a strategy has been achieved.
Population Based Funding (PBF)	Population based funding involves using a formula to allocate each District Health Board a fair share of the available resources so that each Board has an equal opportunity to meet the health and disability needs of its population.
Population Health	The health of groups, families and communities. Populations may be defined by locality, biological criteria such as age or gender, social criteria such as socio-economic status, or cultural criteria such as Whanau.
Population Health Outcomes	Used to describe a change in the health status of a population due to a planned programme or series of programmes, regardless of whether such programmes were intended to change health status.
Population Health Status	The level of health experienced by a population at a given time. This may be measured by separately identifying patterns of death and illness in a population or by means of one or more measures.
Primary Care	Primary health care means essential health care based on practical, scientifically sound, culturally appropriate and socially acceptable methods. It is universally accessible to people in their communities, involves community participation, is integral to, and a central function of, the country's health system, and is the first level of contact with the health system.
Quality Assurance	Formal process of implementing quality assessment and quality improvement in programmes to assure people that professional activities have been performed adequately.
RMO	Resident Medical Officer
Secondary Care	Specialist care that is typically provided in a hospital setting.
SIMHN	South Island Mental Health Network
Strategy	A course of action to achieve targets.
Target	A specific and measurable aim relating to an objective.
Tertiary Care	Very specialised care often only provided in a smaller number of locations.
Tikanga	Customary practice, rule
TLA	Territorial Local Agencies
Treaty of Waitangi	New Zealand's founding document. It establishes the relationship between the Crown and Maori as tangata whenua (first peoples) and requires both the Crown and Maori to act reasonably towards each other and with utmost good faith.
Urology	Diagnosis and treatment of diseases of the urinary tract and urogenital system.
Well-child/Tamariki ora services	Term used to describe all activities that promote health and prevent disease that are undertaken in the primary care setting for children and their families and whanau
Wellness	A dimension of health beyond the absence of disease or infirmity, including social, emotional and spiritual aspects of health.
Whanau	Family
WHD	Womens Health Division

**REPORT OF THE AUDITOR-GENERAL
TO THE READERS OF THE FINANCIAL STATEMENTS OF
CANTERBURY DISTRICT HEALTH BOARD AND GROUP
FOR THE YEAR ENDED 30 JUNE 2003**

We have audited the financial statements on pages 15 to 62. The financial statements provide information about the past financial and service performance and financial position of Canterbury District Health Board and group as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 19 to 23.

Responsibilities of the Board

The New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989 require the District Health Board to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Canterbury District Health Board and group as at 30 June 2003, the results of operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001, section 43(1) of the Public Finance Act 1989 and section 43 of the New Zealand Public Health and Disability Act 2000 require the Auditor-General to audit the financial statements presented by the Board. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed K J Boddy, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Canterbury District Health Board and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

During the period we performed three assignments for Canterbury District Health Board. These involved an assurance related assignment relating to tendering processes, providing guidance on non financial service performance reporting requirements and delivering a seminar to Board staff on health sector issues. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Canterbury District Health Board or any of its subsidiaries.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Canterbury District Health Board and group on pages 15 to 62:

- σ comply with generally accepted accounting practice in New Zealand; and
- σ fairly reflect:
 - Canterbury District Health Board and group's financial position as at 30 June 2003;
 - the results of operations and cash flows for the year ended on that date; and
 - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 28 October 2003 and our unqualified opinion is expressed as at that date.

Signed

K J Boddy
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Canterbury District Health Board (the Board) for the year ended 30 June 2003 included on the Board's website. The Board is responsible for the maintenance and integrity of the Board's website. We have not been engaged to report on the integrity of the Board's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

We have not been engaged to report on any other electronic versions of the Board's financial statements, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 October 2003 to confirm the information included in the audited financial statements presented on this web site.

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