Annual Report

for the year ended 30 June 2013

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Message from the Board Chairman

Healthy Communities *Mauriora*!

I am pleased to present this year's Annual Report which highlights some of the significant achievements and work progressed throughout the past financial year.

The Board continues to focus on its mission to improve the health of our communities, maximise independence for people with disabilities and, with tangata whenua, support a focus on raising the health status of all, particularly disadvantaged populations.

Iwi governance
Engagement with local iwi through the two iwi governance bodies, Te Roopu Hauora o Te Arawa and Te Nohanga Kotahitanga o Tuwharetoa is of great importance to Lakes DHB. Their involvement in the work of the DHB facilitates the two way sharing of information and ensures the needs of the iwi/Maori community are maintained as a top priority.

This year, both groups are working collaboratively with Lakes DHB to review respective structures and Memoranda of Understanding as we strive to improve Maori health outcomes.

Relationships
As a DHB we have continued to cement existing relationships whilst forging new partnerships with a range of people and organisations. Lakes DHB believes that a collaborative focus will result in real future benefits for our communities.

Intersectoral work acknowledges that health outcomes are affected by a wide range of factors and require a variety of responses. The government has made it clear it is important for boards to work closely with other social sector organisations and initiatives, for example, Whanau Ora and the Vulnerable Children's White paper.

Health Targets
Lakes DHB has demonstrated on-going commitment to improve its performance against the six health targets. The DHB performed strongly during the 3rd quarter 2012/13 on delivery of 3,065 elective surgical discharges, 446 more than planned (117% of target).

Timely access significantly improves patient outcomes, is preferred by patients and saves resources. The government has made clear its ambitious objectives to further shorten waiting times for surgery, diagnostics, cardiac and cancer care and Lakes DHB is committed to achieving them.

Patient Safety
Accountability for patient safety and experience in the public health service must run from the hospital unit to the Board level. Patient care and safety is always at the top of the Board's agenda so it was pleased to pledge its commitment to the, "*Open for Better Care*" national patient safety campaign. Lakes DHB commits its energy and resources to improving care and will work in partnership with patients, consumers and whanau to reduce patient harm.

Thanks to Board members and those on advisory committees for their unstinting commitment to improved health in our community. Sincere thanks also to Chief Executive, Ron Dunham, every staff member, the executive, management and clinical teams for all their hard work to make this a positive year of progress.

This would not have been possible without the commitment and passion of health and disability providers across the entire health sector. I acknowledge and value all of their contributions as we strive to meet our shared goals and work together to face the challenges of the future.

Deryck Shaw
Chair, Lakes District Health Board

Message from the Chief Executive

It is with great pleasure that I present my first annual report as chief executive of Lakes District Health Board.

In my first year as chief executive, I have been amazed at the high level of dedication and commitment of every health care professional to the health outcomes of our community.

The patient is at the heart of everything we do at Lakes DHB. Our new clinical governance structure is bedded in and continues to focus on excellent patient outcomes. In 2013, there will a focus on engaging patients more in the design and improvement of services.

The government continues to expect better, sooner more convenient healthcare for patients and communities within constrained funding increases. We have worked closely with our primary care partners throughout the year, particularly with regard to the annual planning cycle.

Much work has been undertaken in the last half of the year in preparation for a new national PHO Services Agreement implemented 1 July. Going forward there are likely to be changes in primary care in Rotorua to position us for the new alliance contracting. It will be important that any new primary care arrangement builds on the outstanding relationships developed in our area by Health Rotorua PHO. A changed arrangement will need to ensure there are appropriate mechanisms for consultation and engagement with our community of interest, particularly in the areas of Maori health and reducing inequalities.

The existing Alliance between four DHBs including Lakes, and the Midlands Health Network that covers Taupo/Turangi is now well established and has driven significant positive change in the primary care arena.

There was excellent community representation at the opening of the redeveloped Older Persons and Rehabilitation Service facility in May marking the final stage of redevelopment on the Rotorua Hospital, some three and a half years after the turning of the sod ceremony in October 2009.

The upgrading of Taupo Hospital began this year and will see the Emergency Department double in size, the Maternity Unit moved to the main hospital building and full redevelopment of the inpatient unit including seismic strengthening. The Taupo Hospital and Health Society made a very generous donation of $750,000 to help fund the redevelopment. The Taupo community's commitment to further fundraise to support the project is impressive.

Significant work has gone on this year in response to the Vulnerable Children's White paper with Lakes DHB, the Ministry of Social Development, Ministry of Education and Police. This is a very intense project as we are attempting to design a pathway from scratch working collaboratively across a number of sectors and led by Ministry of Social Development.

A highlight for the year is Rotorua Hospital's elective surgical support for Waikato patients which has been very successful with excellent feedback from patients in Tokoroa.

To all the staff of Lakes DHB I offer my sincerest thanks for your commitment and contribution. Our community can feel proud of the health services we provide and be confident in the skilled teams who care for them across all the provider organisations in the Lakes district.

Ron Dunham
Chief Executive

Our Statement of Purpose

Vision

The Lakes District Health Board's Vision for the health and independence of its community is:

Healthy Communities – Mauriora!

Mission

- Improve health for all;
- Maximise independence for people with disabilities;
- With tangata whenua support a focus on health.

Values

Lakes District Health Board has three core values:

1. Manaakitanga
   Respect and acknowledgement of each other's intrinsic value and contribution

2. Integrity
   Truthfully and consistently acting collectively for the common good

3. Accountability
   Collective and individual ownership for clinical and financial outcomes and sustainability

Our Strategic Priority for 2012/13

Lakes DHB overarching priority for 2012/13 was:

Reducing Health Inequalities

In seeking to improve health equity Lakes DHB acknowledges the importance of:

- People being supported to take greater responsibility for their health
- People staying well in their homes and communities
- People receiving timely and appropriate care

Lakes DHB has six key strategic priorities:

- Child and youth health;
- Older people's health;
- Mental health and addiction services;
- Hospital and specialist services;
- Primary and community health services;
- Managing long term conditions

Over the past year, commitment to the DHB's strategies and objectives has been met through the purchase of a range of health and disability support services from many providers. These providers have included Māori health providers, Health Rotorua PHO, Midlands Health Network and community and primary health providers. Services have been purchased in the areas of health and disability support, child health and well child facilitation, youth and school health services, diabetes services, retinal screening (via optometrists), pharmacy, oral health, independent nurse clinics, aged care, other hospitals, hospices, and mental health.

About Lakes District Health Board

Lakes DHB was established under the New Zealand Public Health and Disabilities Act 2000 and is responsible for planning, prioritising, funding and providing government-funded health and disability support services to the approximately 103,000 people living in the Rotorua, Taupo, Mangakino and Turangi districts.

Lakes DHB is responsible for funding personal health, Māori health, mental health, primary health, aged care services and some public health in the Lakes district and operates two general hospitals; Rotorua and Taupo supported by the community based services.

Our hospital services provide inpatient beds, outpatient clinics and day services across medical, surgical, child health and maternity services. Within these services there are a variety of specialties (cardiac rehabilitation and diabetes services, surgical specialties such as orthopaedics and ear, nose and throat) and special units (intensive care, coronary care and special care baby units). Surgical services provide operations through theatre complexes at Rotorua and Taupo hospitals. Emergency departments exist at both hospital sites.

Mental health, alcohol and other addictions services are provided through a full range of inpatient and community support services. These services are for child and youth, adult and older people, and incorporate Māori mental health services.

Community-based services provided include district nursing, social work and home support services and disability support. Population health services include public health nursing, school dental services, immunisation, universal newborn hearing screening, vision and hearing testing and B4 School checks.

Through contracts, Lakes DHB funds a range of providers in the wider health sector. Lakes DHB holds over 300 contracts with approximately 145 health service providers and also contracts dentists, pharmacists and primary care services.

Good Employer Initiatives and Equal Employment Opportunities (EEO)

Lakes DHB is a major employer in the Lakes district with approximately 1,350 staff working full time, part time and casual. In addition, there are over 100 contracted staff working at Lakes DHB for OCS, and Spotless Services.

Lakes DHB, as part of its good employer practices and in line with its objective of growing a positive organisational culture, ensured the fair and proper treatment of employees in all aspects of their employment by continuing to review and renew policies, procedures and programmes in accordance with a set review timeline.

In order to enhance transparency and fairness to all groups, the organisation has participated in a further EEO study through the University of Waikato.

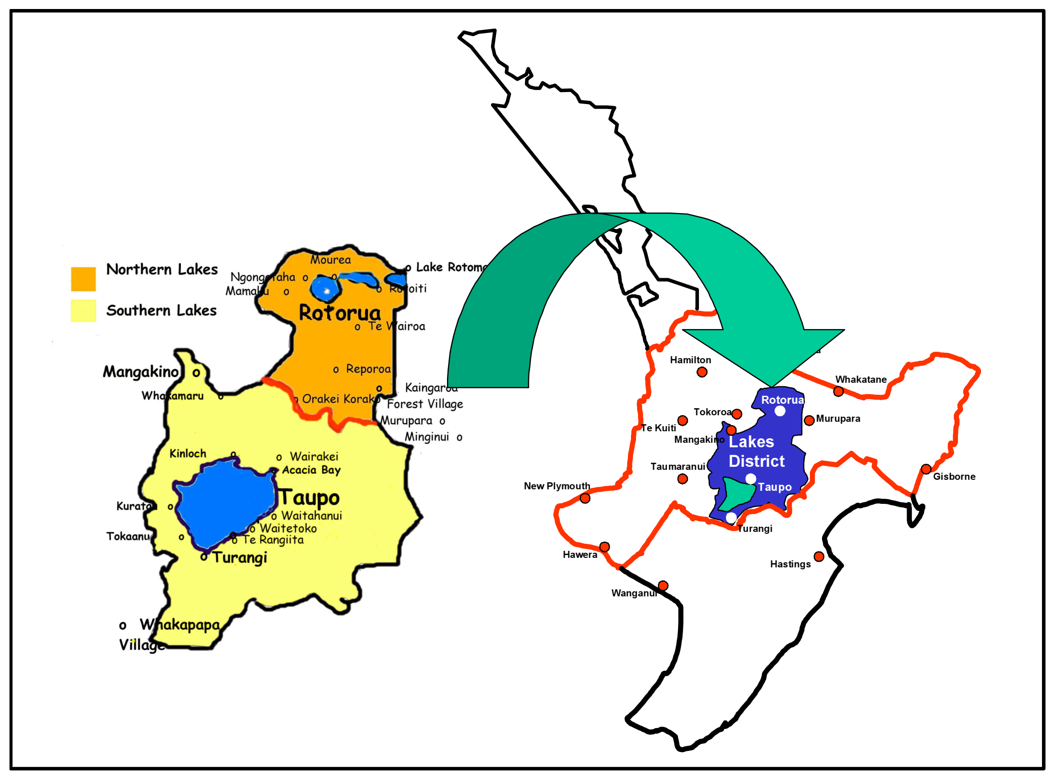
Good employer initiatives focused on bipartite meetings which were held with Council of Trade Union (CTU) union groups on a regular (quarterly / monthly) basis to discuss industrial matters, continue to build on healthy workplaces principles and developing effective partnerships.

The Board appoints the chief executive to manage all DHB operations.

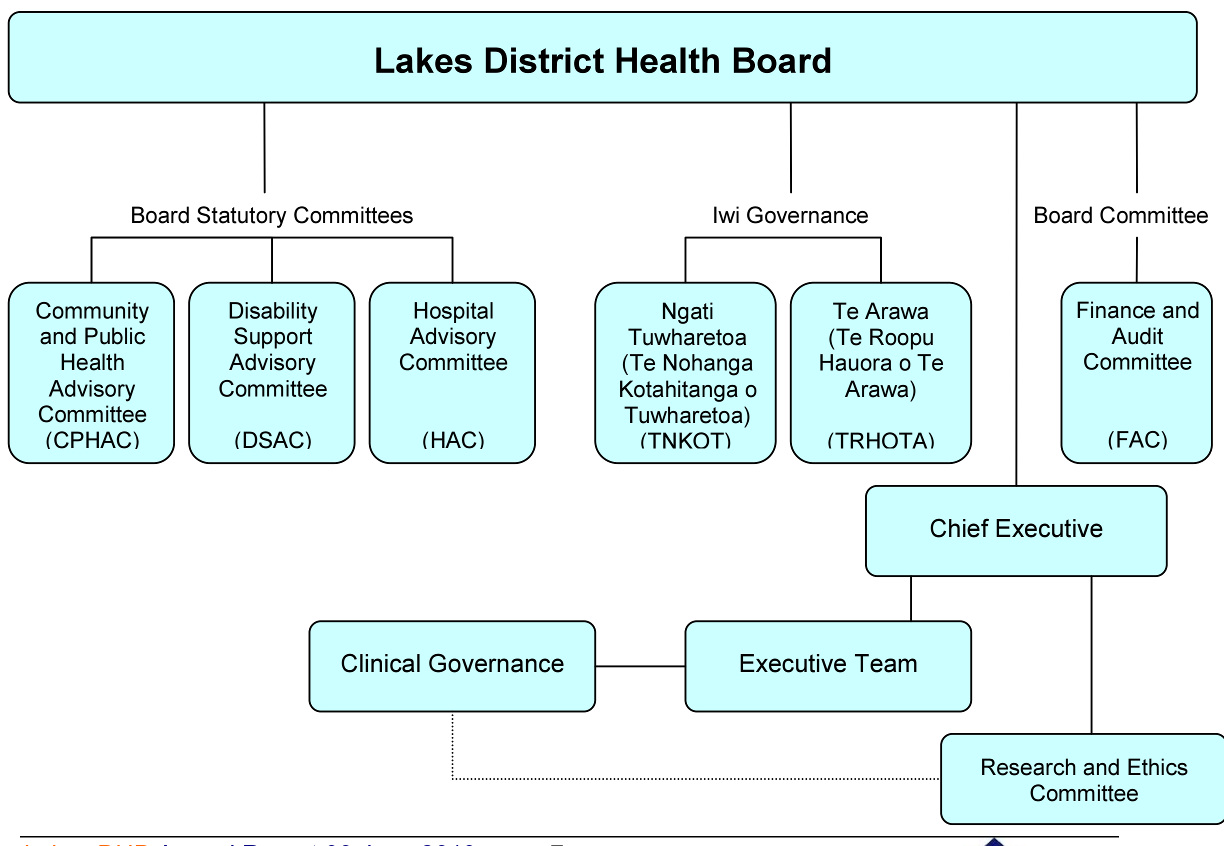
The continued upwards trend in the Staff Satisfaction Survey results for 2012 have shown the policies and practices of the DHB are enhancing a positive and healthy workplace for our employees.

A true measure of the Lakes DHB commitment to being a good employer is the recent audit results from ACC (Tertiary level – March 2013) and WorkWell (Gold - June 2013). Lakes DHB has become the first DHB or crown entity in New Zealand and first organisation in the Bay of Plenty region to achieve the Gold Standard in the WorkWell audit.

Lakes DHB Boundaries



Governance Structure for 2012/13



LAKES DISTRICT HEALTH BOARD

The Board

Accountability
The Board holds monthly meetings to monitor progress toward its strategic objectives and to ensure that the affairs of the DHB and its subsidiaries are being conducted in accordance with the DHB's policies. The Disability Support Advisory Committee (DSAC) and Community and Public Health Advisory Committee (CPHAC) meet six weekly and the Hospital Advisory Committee (HAC) meets monthly. The Finance and Audit Committee (FAC) also meets monthly. For membership of each committee see Appendix One.

Lakes DHB Board members were appointed to the advisory committees at the 10 December 2010 Board meeting.

Conflicts of Interest
The Board maintains an Interests Register and ensures Board members are aware of their obligations to declare any potential conflicts of interest.

Risk Management
The Board acknowledges that it is ultimately responsible for the management of risks to the DHB. The Board has charged the chief executive through its risk management policy with establishing and operating a risk management programme in accordance with the Australian/New Zealand Standard Risk Management AS/NZ 4360:2004. Internal audit occurs as a part of the Board's risk management activity.

Iwi Governance Bodies

Lakes DHB's Maori Health and Planning and Funding divisions continue to ensure that information is provided to iwi governance bodies and that opportunities are given to provide feedback on Lakes DHB developments. Te Roopu Hauora o Te Arawa (TRHOTA) and Te Nohanga Kotahitanga o Tuwharetoa (TNKOT) have worked hard to ensure that hapu and iwi of Te Arawa and Ngati Tuwharetoa are informed of and participate in DHB developments. The chairs of the iwi governance bodies sign off on the DHB annual plan.

Iwi governance representatives continue to participate in the Hospital Advisory Committee (HAC), Community and Public Health Advisory Committee (CPHAC) and Disability and Support Advisory Committee (DSAC). At these meetings they receive up to date Ministry of Health and Lakes DHB information, then feed this information back to their respective iwi boards or ask Maori Health to arrange a presentation to their board at their monthly hui.

The iwi governance chairs attend the Midland Iwi Relationships Board forum that meets bi monthly. This regional collaboration has been developed to participate and contribute to the regional work that is occurring across Midland.

Community and Public Health Advisory Committee

The Community and Public Health Advisory Committee advises the Board on the needs and health status of the Lakes district population and priorities for use of the health funding provided. The aim of the advice is to ensure that service interventions provided and funded by the Lakes DHB, and policies adopted by Lakes DHB, maximise health gain for the district's population.

The committee's advice may not be inconsistent with the New Zealand Health Strategy. The committee has oversight of some key policy areas including:

- Primary care and the implementation of the Better, Sooner, More Convenient business cases and primary health organisations
- Whanau Ora and the development and implementation of nationally approved Whanau Ora initiatives

- Pharmacy including the national process for updating the pharmacy agreement and any locally led initiatives
- Chronic conditions including the ongoing progress towards the Health Targets and locally led initiatives

Disability Support Advisory Committee

The Disability Support Advisory Committee advises the Board on the disability support needs of the Lakes district population and priorities for use of the health funding provided. The aim of the advice is to promote the inclusion and participation in society, and maximise the independence of the people with disabilities. The committee gives direction on the disability support services the Lakes DHB provides.

Over the past 12 months the committee has had the following as its priorities:

1. **Older People**
   Developing and maintaining health and community support services to provide older people in the Lakes district with a continuum of care, including support for carers, regular review of aged residential care capacity and occupancy, quality of workforce skills and training.

2. **Mental Health Services**
   Advancing continuum of care approach to health and support services to people with mental health issues.

3. **Support for Disabled People**
   Improving access to health and disability services.
   Increasing the awareness and education for people working in the health and disability sector.

4. **Consumer Participation**
   Arrangements have been put in place for two members of the DSAC committee to assist hospital management in reviewing the templates for letters that are sent to service users, including those that are used in the complaints process. This involvement will ensure that a consumer perspective is considered during the revision of these documents.

5. **Responsive Services**
   Encouraging the delivery of health and disability services in a way that is responsive and sensitive to the needs of people with disability and monitoring the implementation of policies, in particular, those relating to services of older people, people with long term disability and people who require palliative care services.

Meetings feature invited speakers who provide information on trends and initiatives that are occurring in this and other communities thus ensuring continual development of committee and staff members' knowledge.

Hospital Advisory Committee

The Hospital Advisory Committee monitors the financial and operational performance of the Hospital and Specialist Secondary Services (H&SSS), assesses strategic issues relating to the provision of hospital services by or through Lakes DHB and gives the Board advice and recommendations on the monitoring and assessment of performance.

The Hospital Advisory Committee's primary function is that of performance monitoring. The key monitoring work carried out in the 2012/13 year was:

Monitoring of regular H&SSS reports to the Ministry of Health. These include:

- Health Targets
- Hospital benchmarking indicators
- Contract performance including elective services

- Elective Services Patient Flow Indicators (ESPIs)
- Crown Funding Agreement performance relating to H&SSS

Monitoring oversight of the progress on major projects. This has included:

- Clinical governance systems
- Lakes Health Services Improvement Project site development – design brief and concept design
- Progressing lean thinking approach to work design and efficiency
- Credentialing process
- Annual Clinical Services Plan – progress against the targets set for each service
- Workforce development for H&SSS
- Human resource and industrial relations
- Quality and productivity improvement

Finance and Audit Committee

The Finance and Audit Committee (FAC) assists the Board with reviewing the monthly financial accounts and related business planning issues. The committee also reviews information systems initiatives, financing issues and the viability of proposed business opportunities. The Finance and Audit Committee is not a statutory committee of the Board.

The purpose of the FAC committee is to ensure that the DHB Board complies with its financial accountabilities and responsibilities including, but not limited to, those set out in sections 39, 41 and 42 of the NZPHD Act and section 51 and part 4 of the Crown Entities Act 2004 and related regulations.

FAC's role includes but is not limited to:

- overseeing the development of the DHB's financial strategies, to monitor the effective management of the organisation's finances and to manage the associated risk issues;
- ensuring that the information presented to the Board is accurate, identifies the relevant issues and is useful for decision making;
- ensuring that appropriate quality, audit and risk management frameworks and systems are established, implemented, monitored and reviewed.

Major projects in 2012/13 included:

- Reviewing and approving all governance policies as they required updating
- Participating in the Insurance Renewal proposal for 2012/13 period with Marsh and Health Benefits Limited
- Considered the seismic evaluation and approved the strengthening of the Mental Health Services building to 100% of IL3 and the Renal Unit to 75-80% of IL4 as a minimum
- Considered and approved for BUPA Liston Heights Limited access to the Lakes DHB production well at Taupo Hospital, and in return Lakes DHB received a contribution to energy costs
- Recommended the Board supporting the principle of the proposed future state vision and shared service delivery model to deliver Finance, Procurement and Supply Chain savings
- Appointed the main construction contractor for the Taupo redevelopment project
- Recommended the Board approving in principle the Draft Lakes DHB Annual Plan for 2013/14 prior to submitting to MoH
- Consideration and approval of Older Persons and Rehabilitation Service roofing and façade
- Reviewing the business cases and recommended the Board approve the:
  - The purchase and installation of two patient monitoring units for the Post Anaesthetic Care Unit at a cost of $166,024.80
  - Approving the new G2012 Microsoft Enterprise and Select Agreement via the Department of Internal Affairs, allowing Lakes DHB to upgrade to Microsoft Office 2010 over a three year period
  - The purchase of endoscopy and anaesthesia workstation monitors at a total cost of $328,000

- Approved the commission of the refurbishment of the resuscitation area within the ED at a cost of $231,555
- The replacement of 24 Hyundai i30s for a total value of $593,509 via a finance lease from Toyota TFS over 45 months
- The implementation of the core Orion Health's Clinical Workstation as the first phase of the Midland regional solution at an estimated cost of $3,933.292 current capital projections
- Considered and approved the AOG recommended contracts with Genesis Energy Limited and Contract Energy Limited for electricity, continuity of supply and fixed pricing in the interests of financial savings
- The refurbishment of the Radiology department to a cost of $119,119
- The purchase and installation to move to a CommVault Simpana solution to move the Clinical and Corporate environments onto one back up platform at a cost of $349,900
- The development of a shared repository together with BOP DHB with a view to making laboratory tests accessible to both primary and secondary clinicians, at a cost of $269,072
- The creation of a virtual platform implementation providing a solution to mitigate the risk of running essential clinical applications on unsupported hardware at a cost of $167,564
- Replacement of three haemodialysis machines at a cost of $100,350, which is the start of a planned replacement of our fleet of machines

Research and Ethics Committee

The Lakes DHB Research and Ethics Committee was established in 2005 to promote and support high quality locally focused research carried out in accordance with appropriate ethical standards and to encourage the development of an energetic and relevant research culture within the DHB.

Of the eight committee members, three cover Maori and community interests and possess backgrounds that complement the range of ethical, research and clinical skills of other members who are all employees of the Lakes DHB.

The committee meets on the first Wednesday of each month and deals with research submissions from a range of researchers and research organisations from within and outside the Lakes DHB boundaries. Its activities also include assisting staff and consumers work through ethical issues that have arisen around clinical practice and other work situations. The committee continues to host well-attended and successful research seminars in November of each year - the first being held in 2007.

Clinical Governance

Lakes DHB has strengthened the clinical governance process throughout the organisation, looking at consistency of structure and purpose. This enables shared decision making between management and clinicians and has resulted in a number of improved processes which have reduced costs and allowed reinvestment in quality programmes.

The development of a Clinical Governance Executive Group has set the direction for the 13/ 14 year and assists in a whole system approach to managing risk and directing improvement. A focus had been on patient safety and 'a spreading the stories and outcomes'. Along with a good relationship and annual meeting with the senior doctors the organisational improvement programmes have included Clinical Handover using the SBARR tool, VTE prophylaxis, medication management.

The health delivery services have participated and in most circumstances met the requirements for hand hygiene, CLAB, adverse event reporting, an improved system of linking mortality and morbidity data, Health Round Table and case review data to identify areas for further investigation and or improvement.

The organisation has commenced a Global Trigger tool programme and participated in the Health Quality and Safety Commission programmes of falls and the development of a Quality Account, and participation in the quality markers. The Quality Account will be published along side this report.

Lakes Health Services Improvement Project (LHSIP)

During 2013/14 the final major elements of the Rotorua Hospital redevelopment were completed i.e. the emergency department, theatre complex and day stay and the Older Persons and Rehabilitation Service (OPRS).

A main contractor was appointed for the Taupo Hospital redevelopment work and by June 2013 work was well advanced on a new maternity unit, emergency and radiology departments. Progress has also been made on the redevelopment of the inpatient unit.

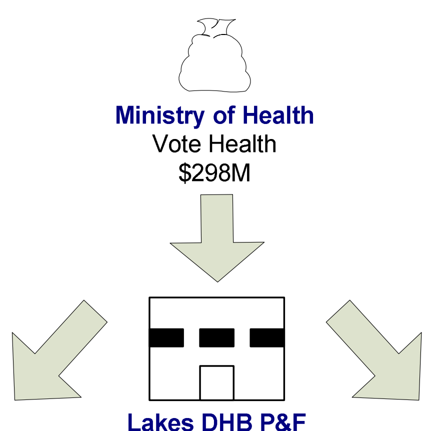
Final designs are being prepared for an ambulatory centre and community mental health building in areas vacated by emergency/radiology and maternity respectively.

Seismic strengthening work at the Rotorua Hospital site is nearly finished with only the mental health facility still undergoing further works.

In Taupo the seismic issues will be addressed as construction is completed on each phase.

How Lakes DHB Funding Flows[1]:

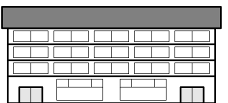
Note: "Provider Arm" is an umbrella term and includes other DHB Provider Arms. Community Services include the community services of other DHBs e.g. Hauora Waikato



Approx 2% - $5M
Governance and Administration (G&A)

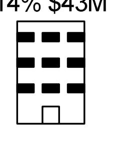
CE, Governance (Board and Statutory Committees), Corporate Services, Planning and Funding

Approx 46% - $138M



Provider Arm (HSSS/Population Health)
Clinical Services, ED, Specialist Assessments, Surgery, Fracture Clinic, Chemotherapy, Pain Clinics, District Nursing, Home Oxygen, Home Help, Meals on Wheels, NASC, IDFs, etc

14% $43M



Other DHBs
Secondary and Tertiary

Approx 38% - $112M

Community Services
Labs, Pharmacy, Mental Health, Dentists, Aged Residential Care, PHOs, NGOs, Public Health, Home Based Support Services, Primary Care

[1] CE (Chief Executive), P&F (Planning & Funding), ED (Emergency Department), PHOs (Primary Health Organisations), NGOs (Non Government Organisations), NASC (Needs Assessment Service Co-ordination), IDFs (Inter District Flows)

Key Achievements for 2012/13

Lakes DHB continues to work at reducing health disparity in its region with this goal being the underlying factor that shapes much of the health service delivery in the Lakes district. This is a goal shared by the primary/community sector who has given pivotal support to the DHB in its significant achievements. The better working and patient environments resulting from the Rotorua Hospital site redevelopment has also contributed to the year's achievements. It is now the Taupo Hospital site that is looking towards completion.

Lakes DHB Quality Account

Lakes DHB has published its first ever Quality Account, for the period 1 July 2012 - 30 June 2013.

The inaugural document showcases some of the tremendous work done at Lakes DHB, providing many examples of quality initiatives resulting in services to improve patient safety, clinical effectiveness and patient outcomes.

Lakes DHB Hosts Regional Launch of National Patient Safety Campaign in May 2013

Lakes DHB was pleased to host the Midland DHBs' regional launch of the national patient safety campaign on Friday 17 May, at Rotorua Hospital.

The programme for the regional launch included a range of demonstrations in the Rotorua Hospital atrium (Tai Chi, chair (ae)robics, line dancing and display of hospital equipment designed to help reduce falls).

The regional lead for the national patient safety campaign, Chief Operating Officer for Health Waikato, Jan Adams spoke to clinical staff as part of the regional launch, and case studies of incidents resulting in harm and the improvements to reduce harm were discussed.

Lakes DHB is focusing on falls prevention for the first six months of the two and a half year patient safety programme. The other areas of focus for the campaign will be surgery, healthcare associated infections and medication safety.

Patient Falls Prevention

The Red Socks Campaign is an Orthopaedic Unit initiative that is part of the patient falls prevention programme.

Special red socks sourced as part of the initiative keep patients who are at risk of falling in Rotorua Hospital, safely on their feet and get them home safely. Patients participated in the trialling of the socks and provided input into the plan.

Orthopaedic Unit staff chose red socks with special grips fastened to the bottom. The staff were clear the colour of the socks had to be red to be bright and noticeable; so they could quickly identify who needed most help and give it to them. Since their introduction to the orthopaedic unit in early 2012 the number of falls has significantly reduced from 39 in 2011 and 37 in 2012 to 18 in 2013.

Heather Schilt, unit Clinical Nurse Manager says patients who are at risk of falling wear the socks for their entire stay to enable them to get in and out of bed safely, and not worry about having to find their slippers or other footwear.

Safe Sleeping Programme - The Pepi Pod

The aim of this programme is to provide newborn babies at increased risk of sudden infant death a safe sleeping space and safe sleeping messages to families.

The babies which benefit from pepi-pods are those with a weakened drive to breathe due to smoking in pregnancy, being premature, a low birth weight, formula fed or for some other reason. Such babies have a weakened 'wake-up' response relative to other babies.

The picture of Sudden Unexpected Death of an Infant (SUDI) rates at the national and DHB level show that in the years 2002-2008 the rate for New Zealand European was 0.52 per 1,000 live births while the rate for Maori was 2.34 per 1,000 births (some 4.5 times higher).

Over the years, health professionals have increased their understanding of SUDI and have identified the key risk factors for babies which include a combination of smoking in pregnancy, inappropriate sleeping practices and not breast-feeding.

While Lakes DHB has placed significant resource on addressing smoking in pregnancy and increasing breastfeeding rates, minimal attention and focus had been placed on safe sleeping environments for vulnerable babies. Pepi-pods are a public health solution to the increased risk of sudden infant death for certain babies in certain conditions. In the past year of operation at Lakes DHB, approximately 150 pepi pods have been distributed.

VTE Prevention Programme

The aim of this programme is to prevent life threatening Venous Thromboembolism (VTE) in all hospitalised patients over 18 years and pregnant teenagers; to minimise avoidable disability and chronic ill health from hospital-associated VTE and to minimise avoidable death from pulmonary embolism (PE).

The VTE programme was launched in mid 2011. Staff conducted audits every two months to assess the performance against our best practice standards. Staff also recorded the number of hospital-associated VTE events to see whether patient outcomes have improved, and in order to feed back to the clinical teams.

Lakes DHB wanted 100 per cent compliance rate with routine VTE risk assessment within 24 hours of admission to hospital and 100 per cent compliance with providing appropriate, evidence-informed thromboprophylaxi . The programme saw an amazing uptake of ‘best practice’ which is starting to translate to less VTE events and patient harm.

VTE is the commonest potentially preventable cause of hospital-related morbidity and mortality. The risk of developing VTE increases tenfold in patients admitted to hospital versus non-hospitalised people. About 10 per cent of all patients experiencing a PE will die as a result of it. VTE prevention in hospitalised patients is internationally recognised as a major opportunity to improve patient safety.

Simulation-Based Education

Lakes DHB saw simulation-based education as a means of improving the quality of teaching for clinical staff and improve patient safety at reasonable cost.

Simulation-based education improves the skills of midwives, nurses and doctors and allows them to practice teamwork in a learning situation so that when these skills and teamwork are required in a clinical situation they are well rehearsed. This means that in real emergency situations with patients the multi-disciplinary team works smoothly with everyone knowing their roles.

A committee was formed to give guidance to decisions regarding simulation-based education. A stock-take of current simulation-based training courses, in which Lakes employees (and related groups) are involved and of current equipment was carried out. This saw team members visit six different simulation units (hospital and other sites in Auckland, Wellington and Hamilton) to assess equipment needs.

A new, more modern and spacious clinical training room has been set up for simulation-based education, including a control room for supervisors to watch trainees and control what the manikins are doing. There are a number of courses currently run within the DHB, which involve significant amounts of simulation-based education.

Simulation-based education (SBE) is now a vital component of teaching, providing a cost-effective means of safely educating clinicians from multiple specialties.

Health Targets

Most health target results are based on performance in the last quarter of the 2012/13 year. The exceptions to this data span are for “improved access to elective surgery” and “better help for smokers to quit” primary care target where a 12-month data period is used. The “more heart and diabetes checks” target represents five years’ data. Good performance across all health targets is important to Lakes as a part of its overall goal to reduce health disparity in the Lakes region.

Nationally, four health targets were met for the final quarter of 2012/13:

- Improved access to elective surgery target (107% against a target of 100%)
- Shorter waits for cancer treatment (100% against a target of 100%)
- Increased immunisation (90% against a target of 85%)
- Better help for smokers to quit hospital target (96% against a target of 95%).

All DHBs achieved the cancer and electives health targets and 18 DHB achieved the immunisation and tobacco hospital targets including Lakes.

In the last quarter of 2012/13, Lakes DHB achieved four of the six targets noting however that one of these involved the hospital smoking target that is reported along with the primary smoking target that Lakes did not achieve. Clearly more focus is required to work with primary care to improve the level of “advice to quit” given to smokers in its enrolled population. A similar comment can be made around the push for more heart and diabetes checks in the primary sector. However, a particular challenge for the DHB has been the meeting of the “shorter stays in emergency departments” target where Lakes is ranked 15th after returning a figure showing that 92% of presentations (as against a target of 95%) were admitted, discharged or transferred from ED within six hours. Lakes DHB has put considerable work into progressing this target with the appointment of a shorter stays target manager, and this work is ongoing.

Relationships with Primary Care

The successful building of stronger ties between Lakes DHB and primary care providers in the region, combined with a strong primary care focus around key health deliverables to drive health gains, have been major achievements during the year. Chronic disease prevention and management in primary care has seen implementation of long – term condition (LTC) management programmes including many of the following initiatives:

- Shared electronic record (PatientWise) in Rotorua Hospital Emergency Department involving shared clinical information from both MedTech and Profile PMS systems integrated into one platform [note: currently awaiting security logins from Lakes DHB to expand use to all emergency department clinicians]. Involves all Rotorua district practices.
- In northern Lakes the Lakes Integrated Network Care (LINC) model of primary care services is focused on management of long-term condition patients; this involves nurse-led care

co-ordination of LTC patients supported by dynamic disease registers and risk stratification tools to assist providers in allocating patients to care programmes based on their level of need. Funding for practices combining base payments to providers with incentives payments linked to clinical outcomes and targeted to high needs patients within the enrolled population.

- The risk stratification tool is aligned with the new Community Pharmacy Services Agreement for scoring of LTC patients, so that data from general practice systems relevant to pharmacy scoring is captured. The intent is to further develop this tool to an information sharing platform that links local pharmacists and general practitioners.
- A newborn enrolment project collaboratively with Lakes DHB where general practice enrolment forms are completed at the maternity ward. These are processed directly into practice enrolment registers by RAPHS with practices notified within two days of birth of new enrolment in order to facilitate early engagement for childhood immunisations etc.
- A population health equality matrix to evaluate equity of service access for all clinical services coordinated by RAPHS.
- RAPHS has developed and implemented a network model for an integrated clinical network. All practices are integrated through a single IS solution, which caters for all practice Patient Management System (PMS) variants. The vICN includes a full business continuity solution with complete practice PMS databases being dynamically replicated to a remote data warehouse so that all clinical data is available in the event of a natural disaster or emergency.
- Smoking cessation through a number of targeted projects.
- Development and implementation of an operational model to support the devolution of cellulitis services from hospital to community providers.
- Collaborative clinical pathways with local primary and secondary clinicians to develop local pathways of care.

There is a successful alliance with Midlands Health Network developing planned and programmed intervention in primary care for Taupo.

Lakes DHB enjoys a unique relationship with its pharmacists based on a common commitment to support a high need community and reduce health inequalities. Lakes DHB is also fortunate that this sector works closely with general practice, primary health organisations and the hospital. A major area of activity during the year has been the development of new national service models through the national community pharmacy agreement and, in particular, the roll out of the long term conditions service. Processes to link with general practice and the DHB are currently being developed so there is a seamless service for people with long term conditions that supports the pharmacist's role around the medication management component of this group of patients. The pharmacy sector also continues to play an important part in the discarding of sharps and unused medicines and the community is able to drop these off to all pharmacies in the Lakes DHB region for coordinated disposal.

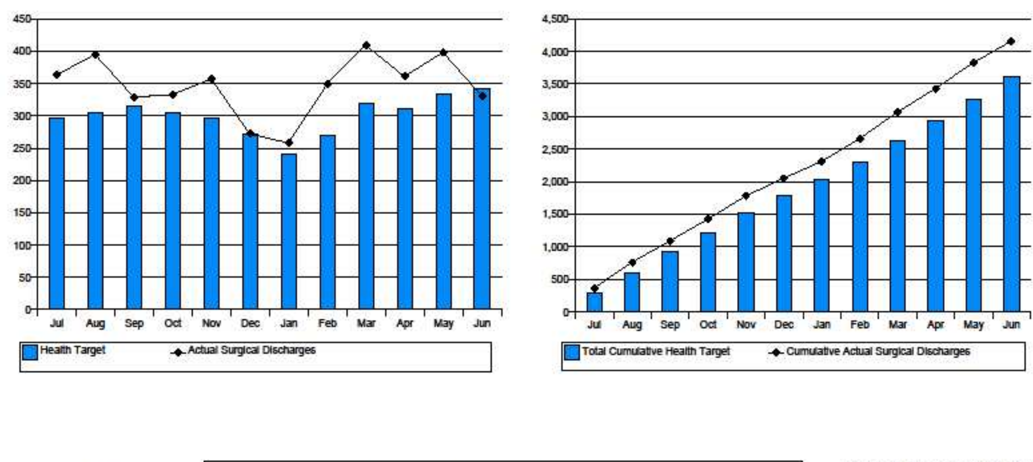
Elective Services

During the 2012/13 year, the target for elective procedures for Lakes DHB population was 3607 discharges. The actual number achieved was 4155 discharges of which 3550 (78%) elective operations and procedures were carried out in the Lakes DHB hospitals and 13% at Waikato.

There were also 387 minor procedures carried out in the outpatient setting during the year. A total 38,682 people attended an outpatient appointment at either Rotorua or Taupo specialist outpatient clinics.

Lakes - 2012/13 Electives Initiative
Health Target Delivery

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	YTD
Health Target	296	305	316	304	297	271	241	270	319	312	333	343	3,607	3,607
Actual Surgical Discharges	363	395	329	333	357	272	258	349	409	361	398	331		4,155
YTD Health Target Variance	67	90	13	29	60	1	17	79	90	49	65	-12		548



Report to: June 2013

Health Target figures are DHB of Domicile and include Publicly funded, Elective admissions, Surgical purchase units, and Avastin and Skin Lesions reported to NMDS

Date Last Refreshed: 05/08/2013

Elective Services Performance Indicators (ESPIs)

The clinical teams put a lot of effort into achieving the five months target (no referrals waiting longer than five months for First Specialist Assessment or elective procedure) by end of June 2013. Lakes is now working towards achieving a four month wait time by end of December 2014.

Some 87% of patients already received their elective procedure within four months of referral to the booking system during the 2012/13 year.

Needs Assessment Service Co-ordination (NASC)

The team has consolidated a strong focus on quality assessments with older people to ensure care management and support services to assist people maximise their independence in the community.

All new assessments for long term support services are conducted using the InterRAI assessment tool; either the Contact Assessment (for low-needs clients) or the full MDS-HC for all other clients. Assessment outcomes are consistently used to inform care planning and shared with GP practices to maximise the opportunity for reversibility of clinical conditions.

The service has dedicated `Lead Practitioner` support to ensure recording of client information and interpretation of indicators (CAPS) for intervention are of a high quality. This role is closely linked to the national InterRAI programme facilitated by the MoH and ensures staff are accredited to the tool annually.

The NASC service also provides coverage for people with long term support – chronic health conditions (LTS – CHC) who require community support. This function ensures people who may be ineligible by age are able to access assessment and co-ordination to maximise their independence as long as possible in the community.

Mental Health and Addictions

Some key achievements include:

The establishment of a Provider Forum for both the southern Lakes and Rotorua regions continues to give opportunities to shape sector development. This is an important first step in re aligning local networks to fit within the changing regional frameworks.

Establishment of a small maternal mental health team

Operating within the context of the larger adult multi disciplinary team, this investment has opened the door to improved access and support for expectant mothers with mental health issues up to one year post natal.

Art4Recovery programme

In place for two years, the programme is now well embedded as an intrinsic part of therapeutic interventions (sensory modulation) to reduce seclusion rates on the inpatient unit.

Primary – secondary integration (PRIMHIS vs Primary Mental Health Initiative)

One challenge has been that Lakes DHB has operated two systems for addressing the needs of people with mild to moderate mental health issues. This fracture in service models has seen confusion for general practice around referral pathways while dividing (rather than consolidating) local specialist workforce. PHOs and Lakes DHB have been at opposite ends in respect to agreeing a singular model that supports the whole of the DHB population. Lakes DHB is in the process of implementing the PRIMHIS model to assist the degree of integration.

Health of Older People

Improved Services for Older People:

Specialist Services for Older People have been strengthened this year with the rebuilding of Older Persons and Rehabilitation Service (OPRS) unit and the appointment of a second geriatrician. The OPRS unit has increased capacity with redesign that better supports the multidisciplinary team providing rehabilitation for all age groups. It also incorporates a defined stroke service with specialist trained staff that work with all people admitted with a stroke or TIA (Transient Ischemic Attack). Community based age related organisations, health professionals and older people living in the community are starting to benefit from the additional geriatrician ability to work outside of the hospital setting.

Lakes DHB Planning and Funding and clinicians are now involved with other Midland DHB Health of Older People teams to develop a regional focus on key issues for older people. This has resulted locally in the development of:

- clinical pathway to support general practitioners to diagnose people who have dementia earlier and to ensure carers receive information and support early
- initiatives to reduce the risk of delirium, injuries from falls, elder abuse and neglect
- initiatives to increase the understanding of patient wishes through advanced care planning and the use of enduring power of attorney
- changing the service delivery to people needing home and community support services to ensure people are supported to remain as independent as possible in their own home for longer
- Increased training opportunities for hospital staff to better understand the needs of the more vulnerable older population

The Ministry of Health, through DHBs, provided additional funding to increase the payments to residential care providers who care for people within secure dementia units and continued to fund for additional meaningful day activities for people with dementia and respite services.

A review of the services purchased in 2011 and 2012 was completed and has been used to inform changes for 2013/14 purchased services that will reflect more closely the range of services people currently are seeking especially the access to short term residential respite care and day activity programmes.

InterRai comprehensive geriatric assessment home care tool has been fully implemented into the older persons' disability support services needs assessment and service co-ordination services through Lakes NASC. Work is underway at a national level to implement the interRAI long term care assessment tool into all aged related residential care facilities. This will be used by registered nurses to ensure there are comprehensive and standardised assessments of care needs that can shape the residents' care plans. This work will continue for the next two years.

Cancer and Palliative Care

All people living in the Lakes DHB region who require chemotherapy and radiotherapy treatment continue to be able to access Waikato DHB services within the national targeted four week timeframe despite the increase in cancer presentations.

Additional staff and resources have been focused on faster access to all cancer treatment. Data base development has allowed the tracking of the patient's journey and clinically focussed video conferencing equipment has enabled the support of regional multi disciplinary specialist meetings for specialists to review and discuss treatment pathways for specific cases. Cancer care co-ordinators who specialise in supporting people who are diagnosed with cancer to access treatment has had a positive impact on outcomes.

People accessing treatment at Waikato DHB continue to be able to access fully funded accommodation through the Lions Cancer Lodge in Hamilton.

Midland Cancer Network team continue to provide support to Lakes with the development of range of cancer and palliative care services expected nationally to be delivered across the region.

Following the development of the five year 2011 - 16 Adult Palliative Care Service Plan for Lakes, the formation of Lakes Palliative Care Forum as a workgroup that includes key participants from hospice, hospital, primary care, and NGOs who are involved in provision of palliative care have focussed attention on improving the use of visiting medical palliative care specialist services. The development of a palliative care services directory and a directory of grief and loss support services, advanced care planning, palliative care education of other health professionals and the use of the Liverpool Pathway for Dying framework in hospital and community services have each contributed to improved service delivery for cancer patients.

Regionally, the Midland Cancer Network, with all hospices and specialist palliative care services, work closely to develop a full range of services in recognition of increasing future demand and limited expert staff and resources.

In July 2012 in Taupo, Lake Taupo Hospice took over the Taupo Hospital District Nursing community nursing service for palliative care clients which has resulted in a more co-ordinated nursing service from one organisation. This change has also seen an increase in the number of people in Taupo being able to die at home along with a reduction in avoidable admissions to hospital.

Nursing Initiatives

Nga Manukura o Apopo (A Ministry of Health Nursing and Midwifery workforce development programme)

Lakes DHB has been selected as one of the pilot sites for delivery of one of the Poutama Programme. To date 24 Maori nurses have participated in the programme and 20 more will participate in 2013. The programme focuses on equipping and qualifying Maori nurses as preceptors, nursing council assessors, and mentors within a kaupapa context and on the marae. The Associate Director of Nursing Maori Health has facilitated the steering committee here at Lakes, and delivery has been in partnership with the Waiariki Institute of Technology.

End of life care

Recognising the implications of an ageing population and following discussions between senior nurses and SMOs it was decided to begin some work on end of life care. Initially this resulted in commissioning some training around 'Advance Care Planning' which was delivered to a group of hospital and community and primary care staff. From this we have begun piloting the use of plans with our COPD clients that we are planning on extending to renal and diabetes in the near future. To support this work we have included a question about ACP in a new comprehensive assessment document being trialled in the medicine service. We have also begun work with general practice on the use of advanced care plans and are supporting this initiative by setting up structures that enable the DHB to act as a data repository for ACPs. We have also begun the extension of the Liverpool Care Pathway to our surgical wards following its implementation in the medical unit.

Maori Health

Whanau Ora

Te Arawa Whanau Ora Collective transformation is well underway. The transformation development ends June 2014. The Te Pa Harakeke whanau centred service approach is being implemented and the Paearahi navigator training is well underway. 62 whanau plans have been developed involving 700 whanau members with 60 whanau engaged in financial literacy programmes and 25 whanau in cultural, health and wellbeing programmes.

Whanau Ora Ki Tuwharetoa had its business case approved and is commencing its programme of action with the establishment of the key requisite relationships and structures well underway including governance structures.

Maori 'Did not Attend' (DNA) rates

A project specifically focused on reducing Maori DNA rates across the organisation has resulted in a lowering of Maori DNA rates during the 2012/13 year. Based on root cause analysis of factors contributing to Maori DNA, multiple interventions such as better recall systems, easier to understand appointment letters, text reminders and iwi presentations, as well as engagement with the Maori Health team, contributed to a reduction in Maori DNA from 29.53% in Rotorua January 2012, to 19.05% in January 2013, and from 30.77% in Taupo in January 2012, to 10.89% in January 2013. Overall DNA rates have dropped by a third in Rotorua and half in Taupo over this time period.

Reducing Inequalities

Lakes DHB has always maintained a focus on "reducing inequalities" and "achieving health equity". In the past six months, regional work has been aimed at developing and implementing a regional and local set of indicators (e.g. Health Targets and Maori Health plan indicators) to assist in raising the profile of inequalities in health. Having quantifiable indicators will make it easier to draw attention to Maori health issues.

However, in respect of iwi position statements and plans around smoking, breastfeeding and immunisation, a lack of capacity has meant these have not proceeded to plan. The intention is that these matters will be given priority during the 2013/14 year.

Good Employer Report

Lakes DHB is a major employer in the Lakes district with approximately 1,350 staff working full time, part time or casual hours. In addition there are more than 100 contracted staff working at Lakes DHB within contracted services (OCS, Spotless). The Lakes DHB workforce profile is made up of 81% female employees, more than 50% of employees are aged between 40 and 60 and more than 15% are over 60 years of age. Nearly 12% are under 30 and 17% between 30 and 40 years old. Within this make up there are 42 identified ethnic groups; 54% of staff identify as NZ Europeans, almost 17% as Maori and 1.63% identify themselves as Pacifica within five Pacific ethnic groups.

Lakes DHB has continued to work within a number of policies to ensure the wellbeing and fair and proper treatment of employees is maintained and Lakes DHB is deemed to be a good employer by its employees. A continued growth trend in positive organisational culture was highlighted in the bi-annual staff survey conducted in the first quarter of 2012 and resulting feedback sessions with employees to create action plans for ongoing improvement.

In all aspects of recruitment, training and other opportunities our policies ensure equal employment opportunities. Lakes DHB is a member of the EEO group and utilises the information in the regular newsletters and updates when regularly reviewing policies and procedures. This allows the support and promotion to all employees to treat others, and be treated with, respect and freedom from discrimination. A key policy for this reason is the Lakes DHB's Freedom from Discrimination Policy.

Key Elements and Activities

The focus for 2012/13 has been on:

- Training in leadership, accountability and culture
- Use of the Taleo tool in recruitment, selection and induction
- Employee development and promoting the Kia Ora Hauora programme to encourage Maori into the health workforce
- Job flexibility and work design
- Training in harassment and bullying prevention
- Promoting safe and healthy work environments

The continued upwards trend in the staff satisfaction survey results for 2012 have shown the policies and practices of the DHB are enhancing a positive and healthy workplace for our employees.

A true measure of the Lakes DHB commitment to being a good employer is the recent audit results from ACC (Tertiary level – March 2013) and WorkWell (Gold - June 2013). Lakes DHB has become the first DHB or crown entity in New Zealand and first organisation in the Bay of Plenty region to achieve the gold standard in the WorkWell audit.

National Health Targets

Health Targets are a set of national performance measures specifically designed to improve the performance of DHBs by focussing on rapid progress against key national priorities. They provide a focus for action.

Public reporting of DHB health target results is made every quarter comparing DHB's performance and progress against the targets.

Below are the **2012/13 Lakes DHB QUARTER FOUR** health target results.

Key **A** Achieved **-** **NA** Not Achieved

Health target	Long term target	Lakes 2012/13 target	Result	Status
Shorter stays in Emergency Departments	95% of patients will be admitted, discharged, or transferred from an Emergency Department (ED) within six hours	**95%**	92%	NA
Improved access to Elective Surgery	The volume of elective surgery will be increased by at least 4,000 discharges per year	3607 total elective surgical discharges (excluding cardiology and dental)	4155	A
Shorter waits for Cancer Treatment Radiotherapy	Everyone needing radiation or chemotherapy treatment will have this within four weeks	**100%**	100%	A
Increased Immunisation	85% of eight month olds will have completed their primary course of immunisation (six weeks, three months and five months immunisation events) on time by July 2013, 90% by July 2014 and 95% by December 2014	**Total 85%**	86%	A
Better help for Smokers to Quit	95% of patients who smoke and are seen by a health practitioner in public hospitals and 90% of patients who smoke and are seen by a health practitioner in primary care are offered brief advice and support to quit smoking. Progress towards 90% of pregnant women who identify as smokers at the time of confirmation of pregnancy in general practice or booking with Lead Maternity Carer are offered advice and support to quit.	**95% - Secondary Care** **90% - Primary Care** **90% - Pregnant Women***	98% 61% -	A NA NA
More heart and diabetes checks	90% of the eligible population will have had their cardiovascular risk assessed in the last five years to be achieved in stages by 1 July 2014 – 75% by 1 July 2013.	**Total 75%**	66.3%	NA

* Work is being done by the Ministry of Health and Lakes DHB to more reliably produce these data.

Lakes DHB Statement of Service Performance 2012/13

The outputs noted in the statement of service performance reflect the performance of the four main functions carried out by District Health Boards. These output classes are:

1. Prevention
2. Early Detection and Management
3. Intensive Assessment and Treatment Services
4. Rehabilitation and Support

Prevention

Preventative services are publicly funded services that protect and promote health for the whole population or identifiable sub-populations comprising services designed to enhance the health status of the population. Preventative services are distinct from treatment services which repair/support health and disability dysfunction.

Preventative services address individual behaviours by targeting population wide physical and social environments to influence health and wellbeing.

Preventative services include health promotion to ensure that illness is prevented and unequal outcomes are reduced; statutorily mandated health protection services to protect the public from toxic environmental risk and communicable diseases; and, population health protection services such as immunisation and screening services.

On a continuum of care these services are public wide preventative services.

Early Detection and Management

Early detection and management services are delivered by a range of health and allied health professionals in various private, not-for-profit and government service settings, including general practice, community and Māori health services, pharmacist services, Community Pharmaceuticals (the Schedule) and child and adolescent oral health and dental services.

These services are by their nature more generalist, usually accessible from multiple health providers and from a number of different locations within the DHB.

On a continuum of care these services are preventative and treatment services focused on individuals and smaller groups of individuals.

Intensive Assessment and Treatment Services

Intensive assessment and treatment services are delivered by a range of secondary, tertiary and quaternary providers using public funds. These services are usually integrated into facilities that enable co-location of clinical expertise and specialised equipment such as a 'hospital'. These services are generally complex and provided by health care professionals that work closely together.

They include:

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

Emergency department services including triage, diagnostic, therapeutic and disposition services
On a continuum of care these services are at the complex end of treatment services and focused on individuals.

Rehabilitation and Support

Rehabilitation and support services are aimed to support people to maximise their independence and increase their ability to live in the community. Access to a range of short or long term community based services is arranged by NASC services following a 'needs assessment' and service co-ordination process. The range of services includes palliative care services, home-based support services, day programmes, respite and residential care services.

On a continuum of care these services provide support for individuals and their carers and in general are provided within community or home setting.

The financial performance associated with these four functions is detailed in Note 32 in the financial section.

Key **A** Achieved **NA** Not Achieved

1 Outcome: people take greater responsibility for their health

Impact	Baseline measure			Targets		
	Output Description		Base	2012/13	Result	Achieved / Not Achieved
Fewer people smoke	Providing smokers who access primary and secondary services with smoking cessation advice and support					
	Hospitalised smokers	Total Population	100%	95%	96%	A
		Maori	100%	95%	97%	A
	Primary care	Total Population	22.93%	90%	61%	NA
		High needs		90%	66%	NA
	An increase in the number of health professionals trained in smoking cessation support	Secondary	400	500	460%	NA
		Primary	NA	-	-	-

Significance of the Measure

It is estimated that some 5,000 New Zealanders die prematurely each year as a direct result of smoking with an estimated reduction in life expectancy being around 15 years. Moreover, the negative consequences of smoking impacts unevenly across the population with Maori, and those experiencing higher levels of social deprivation, suffering most. In terms of the Lakes DHB's aim to reduce health disparity across its population it is critical that work on helping smokers quit is given prominence.

Lakes DHB Performance

Lakes DHB has achieved well against the Minister's 'secondary' smoking target over 2011/12 and 2012/13 often returning a figure of 100% although a disappointing 94% in the third quarter of 2012/13 was a disappointing anomaly in this record of consistently high performance. Of particular note, this year has been the particular emphasis placed on initiatives to reduce smoking rates amongst pregnant women to reduce the risk of associated health conditions for infants in the first year of life such as respiratory illness and, more seriously, SUDI. To this end, a midwife attached to the smokefree team has worked in pre and post-natal contexts to ensure these women are offered advice to quit.

In the primary context, the Lakes result for quarter four showed that 61% of identified smokers were given advice against the national average of 57% across all 20 DHBs. Thus, the primary smoking target was not achieved. However, in order to improve this figure, active clinical leadership has been provided by clinical leaders group within Rotorua Area Primary Health System (RAPHS) and the Midlands Health Network (MHN). Practices are provided with regular health target performance updates via monthly RAPHS practice managers meetings. For example, recent analysis has identified that a significant proportion (45%) of patients aged 15–74 years without a smoking status recorded are those in the age group 15-19 years (see graph). Practices are being encouraged to focus attention on this age group.

Impact	Baseline measure			Targets		
	Output Description		Base	2012/13	Result	Achieved / Not Achieved
Reduction in vaccine preventable diseases	Percentage of eight month olds will have completed their primary course of immunisation (six weeks, three months and five months immunisation events) on time	Total Population	62%[2]	85%	86%	A
		Maori	50%	85%	81%	NA Note 1
	Percentage of people who decline child immunisations at eight months		3.1%	≤5%	3.5%	A
	Percentage of the population (>65 years) who have had the seasonal influenza immunisation[3]	Total Population	65.77%	67%	66%	NA
		High Needs[4]	63.44%	64.8%	62%	NA
	The % of eligible young women (yr8) who have received dose 3 of the HPV[5] vaccine in the academic year:	Maori	51%	60%	58%*	NA Note 2
		Total	37%	60%	56%*	NA

Note 1: While an improvement from the base, considerable more work is required. We have identified the practices these children come from and are addressing the issues and re-directing resource into focussing on these children through writing reports for the practices on which children are due in the next quarter, providing Outreach Immunisation Services and the immunisation facilitator to implement quality systems.

Note 2: The non-achievement is partially due to the drop off between HPV 2 and HPV 3. This coverage remains one of the highest nationally and significantly higher than the national average (49%- Maori and 51% -Total).

Significance of the Measure

Immunisation is one of the most important medical interventions to prevent serious disease and also one of the safest. Timing of immunisation is organised to make sure children are protected as early as the immunisation can be effective. All children should be immunised on time for best protection. Childhood diseases like whooping cough and many forms of meningitis can cause death or brain damage to a baby and are preventable. To be really effective, and recognising the concept of herd immunity, 90-95 per cent of the childhood population needs to be immunised.

The current schedule for children to be immunised through their family doctor is at:

- six weeks
- three months
- five months
- 15 months
- four years
- 11 years
- 12 years (available at school)

Immunisation is currently a health target with DHB's and primary care working together to achieve a situation where "85 percent of eight months olds will have their primary course of immunisation (six weeks, three months and five months immunisation events) on time by July 2013".

[2] Baseline equals quarter 1 2011/12 results for six month milestone age

[3] The volume target is significant, as we are seeing an increase in the percentage of our population aged 65+. See also the Māori Health Plan (MHP)

[4] Dep 9&10 non Maori and all Maori

[5] HPV is human Papillomavirus which causes genital warts and cervical cancer. The current system does not provide accurate data to the level of immunisation undertaken *both* within the school programme and by GPs.

Lakes DHB Performance

Lakes DHB achieved the 8 month overall but not for Maori. This is very disappointing and will require focused outcomes based performance measures in 2013/14 to achieve rates for Maori that are the same as for non-Maori. These actions will include:

- Working with and supporting providers of immunisations.
- Ensuring that accurate information about immunisation and when and where to get immunised is widely available.
- Engagement with Maori about how best to improve Maori immunisation rates and ensure Maori communities and whanau have accurate information about immunisation and its benefits.
- Education of providers of health and social services to pregnant women and mothers of newborn babies to ensure all immunisation messages are accurate and consistent and ensure that families don't have unnecessary anxieties.
- Ensuring parents have the right information about immunisation and making sure all newborn babies are registered with a GP and the National Immunisation Register.
- Provision of outreach immunisation services to immunise those people who struggle to get to their family doctor.

Impact	Baseline measure		Targets		
	Output Description	Base	2012/13	Result	Achieved / Not Achieved
People have healthier diets	Number of schools engaged in the Health Promoting Schools programme[6]	31	31	31	A
	Percentage of schools participating out of all schools in the district	47%	47%	47.7%	A
	Percentage of decile 1 and 2 schools participating in health promoting schools	57%	57%	61.3%	A
	Increasing the percentage of infants fully and exclusively breastfed at 6 weeks; 3 months; 6 months' **(SI7)** at:				
	6 weeks (Maori / Total Population)	54%/68%[7]	75%/75%[8]	Accurate data will not be available until November 2013 from the MOH when full aggregated NHI level for all of Lakes is available.	
	3 months (Maori / Total Population)	41%/52%	61%/61%		
	6 months (Maori / Total Population)	12%/20%	27%/27%		
	BFHI (Baby Friendly Hospital Initiative) accreditation status achieved for all maternity facilities.[9]		100%	100%	A

Significance of the Measure

The evidence for exclusive and full breast feeding is well documented with significant benefits to the child and mother's health. It also generates significant cost savings for the health system. Breastfeeding helps lay the foundations of a healthy life for a baby and also makes a positive contribution to the health and wider wellbeing of mothers and whānau/families. Exclusive breastfeeding is recommended until babies are around six months of age. The WHO recommends

[6] This programme supports healthy school environments, aims to improve students' health and wellbeing and contributes to learning outcomes. See www.healthed.govt.nz.
[7] Baseline – 2010 Plunket data (calendar year)
[8] Target is the same as 2011/12 due to the current transition period from aggregated to NHI level reporting. Until NHI level data is available (likely Dec 2012) we are not in a position to accurately measure breastfeeding rates and therefore our 2011/12 performance, and consequently set meaningful targets for 2012/13.
[9] This ensures breastfeeding rates on discharge achieve NZBA standards

babies receive nutritionally adequate safe complementary foods while breast feeding continues for up to two years of age or beyond. However breast feeding rates in New Zealand remain low and it is believed social change has had an impact on breast feeding practices. There are many factors at play here including, women's participation in the workforce and fertility rates and migration that exacerbate differences between ethnic groups. There are a number of interventions in use nationally ranging from international conventions to working with individual mothers and families using a wide range of tools that encourage breastfeeding.

Lakes DHB Performance

Lakes DHB has not met the targets for breast feeding. This is of serious concern due to the known lifelong benefits of breast feeding and not just the benefits in child hood. The poor breast feeding rates and high smoking in pregnancy also can be seen in the high hospital admissions for respiratory illness in childhood. This performance is disappointing and, as a result, the DHB is aware that it will need to put time into planning an evidence based approach to breast feeding. This will be coupled with our new programmes and developments around service configuration for children and pregnant women and addressing health inequalities in this age group. To begin with, we will be looking at attachment, parenting and pregnant education within the context of maternal and child health services.

2 Outcome: people stay well in their homes and communities

Impact	Baseline measure		Targets		
	Output Description	Base	2012/13	Result	Achieved / Not Achieved
Children and adolescents have better oral health	Percentage of Children (0-4) enrolled in DHB funded dental service - **PP13**	55%	80%	45%	NA
	Percentage of enrolled pre-school and primary school children (0-12) overdue for their scheduled dental examination - **PP13**	17,657 (actual number)	5%	-	Data Not Yet Available
	Percentage of adolescent utilisation of DHB funded dental services - **PP12**	57%	85%	65%	NA

Significance of the Measure

Good oral health demonstrates early contact with a health promotion health prevention service and reduced risk factors, such as poor diet, which has lasting health benefits in terms of improved nutrition and healthier body weight and general wellbeing. Oral health is also an integral part of lifelong health and impacts on nutrition, health seeking behaviour, self esteem and quality of life.

Maori children are three times more likely to have decayed, missing and filled teeth and improved oral health is a proxy measure of equity of access and effectiveness of mainstream targeting to high needs.

While water fluoridation can significantly reduce tooth decay across all population groups, only about one fifth of children up to 18 years of age in the Lakes DHB district have access to fluoride.

Lakes DHB Performance

Lakes DHB did not meet the targets in the area of oral health. This is disappointing as it is an area of high need in our population and is preventative through, among other interventions, early access to community oral health services and oral health education and promotion. It is evident from the data that this is an area of inequality. While the Lakes DHB oral health business case has been nearly completed, this area remains a significant issue. The implementation of an Electronic Oral Health Record (Titanium) for every child will improve access, and identify children with higher needs and contribute to workforce targeting high needs areas.

A new born enrolment process has also been developed where all mothers of newborn babies are given information and key messages about enrolling the baby at 12 months of age. In addition, a programme of work is underway around improving oral health and oral health messages for pregnant women while also improving access for pre schoolers.

3 Outcome: early detection of treatable conditions

Impact	Baseline measure			Targets		
	Output Description		Base	2012/13	Result	Achieved / Not Achieved
People are better at managing their long term conditions	Percentage of population enrolled with a PHO	Total Population	100%	100%	100%	A
		Maori	100%	100%	100%	A
	Percentage of eligible population who have their cardiovascular disease (CVD) check completed within the last 5 years	Total	47.20%	≥75%	66.38%	NA
		High Need	40.37%	≥75%	60.42%	NA
	Percentage of diabetes reviews completed against the population expected to have been diagnosed with diabetes	Total	58.55%	70%	80.96%	A
		High Need	51.68%	70%	81.53%	A
	Eligible women (20-69) have a cervical cancer screen every three years	Total Population	73.39%	74%	75.2%	A
		High Need	65.23%	67%	68.21%	NA
	Eligible women (45-69) have a breast screen examination every two years	Total Population	57.96%	60.00%	68.74%	A
		High Need	49.62%	55.17%	60.08%	A

Significance of the measure

Key outcome sought: `New Zealanders living longer, healthier and more independent lives`

Diabetes is important as a major and increasing cause of disability and premature death. It is also a good indicator of the responsiveness of a health service to people in most need. Long term conditions comprise the major health burden for New Zealand now and into the foreseeable future. Maori and Pacific are disproportionately affected.

Targeted early detection (risk assessment) for long-term conditions within primary care will assist transfer clients into a managed approach so that self management and regular checks prevent avoidable hospital admissions, promote improved health outcomes through regular advice and create access to integrated primary and secondary service options as and when required that are timely.

National Screening Unit (NSU/MoH) programmes for breast and cervical are intended to capture women identified as high need to reduce incidence and mortality through routine screens at regular intervals.

Lakes DHB Performance

Primary care enrolment with PHO for primary medical care is maximised for the population (source HRPHO and Midlands Health Network PHO).

CVD risk assessment performance is marginally below the national DHB average of 67.09% for the population and 67.88% for the high needs group. However the PHOs have long term condition (LTC) management processes in place that work with GP practices to support nursing lead programmes that increase assessments.

Review of those people with diabetes is tracking well above the national average of 68% for the total eligible population and 74% for the high needs group.

Cervical and breast screening performance has met the target, but when compared to the national average for DHBs is marginally below in getting woman into screening programmes. This will be addressed through local initiatives that involve direct contact with woman in the high needs group.

Lakes DHB contracts two PHO services to manage a range of clinical programmes within their long term (chronic) condition (LTC) management programmes with GP practices.

HRPHO allocates funding through equitable distribution model within its `LINC` model of care on the relative disease burden of the practice registers. Practices have appointed lead care co-ordinators who work with their practice and the wider multi-disciplinary team to allocate clients an appropriate care plan with funding targeted to those most in need. Risk stratification and patient management tools are provided via the `Primewise` interface for practice based co-ordinators to use.

Cervical screening is targeted to high needs women aged 20 – 69 years and Maori, Pacific, Asian and women unscreened for five years or more. Lakes performance ensures that coverage for these women is maximised through local initiatives within the PHO/practice programmes.

Breast screening results this year appear to have reached a plateau and providers report this may be a function of the population now moving through the routine programme rather than numbers of new woman being identified for screens.

National publicity is reported as a key factor in the success of the local screening programme and this communication is highly valued by staff working with women.

Individual contact with women in the high needs category remains the most effective approach to ensure women are screened.

Impact	Baseline measure			Targets		
	Output Description		Base	2012/13	Result	Achieved / Not Achieved
Fewer people are admitted to hospital for avoidable conditions	Percentage of eligible population have their Before School Checks[10] completed[11]	Total Population	89%	80%	80%	A
		High Needs	83%	80%	84%	A
	Percentage of DHB domiciled children (0-5 years) enrolled in Well Child Tamariki Ora programme[12]		NA[13]	80%	Not available until November 2013 from MoH	
	Percentage of Rest Home residents receiving vitamin D supplement from their GP[14]		73%	75%	76%	A
	Percentage of triage level 4 & 5s[15] presenting to the Emergency Department		58.7%	57%	55%	A

Significance of the Measure

The Well Child Tamariki Ora (WCTO) and B4 School check service is a screening, surveillance, education and support service offered to all New Zealand children and their family or whānau from birth to five years. It assists families and whānau to improve and protect their children's health.

[10] Before Schools is a nationwide programme offering a free health and development check for four year olds. It aims to identify and address any health, behavioural, social or developmental concerns which could affect a child's ability to get the most benefit from school. Health checks include vision, hearing and oral

[11] Based on 2010/11 results

[12] This is a programme that runs from six weeks after birth to entry into school. It is a free service and establishes strong foundations for a child's ongoing health and development

[13] NHI Level Data not available until 2012/13

[14] Vitamin D strengthens bones, and reduces the negative impact of falls. While we would prefer to include data for the at risk population (ie over 75 years), we can only access data for rest home residents

[15] ED services in New Zealand utilise a scale of 1-5 triage, with 1 being the most urgent. These principally determine who should be seen first. Some triage categories 4 and 5 may be more appropriately seen in the primary sector

The primary objective for providers of WCTO services is to support families and whānau/caregivers in maximising their child's developmental potential and health status between the ages of 0–5years, establishing a strong foundation for ongoing healthy development.

In order to achieve this, the WCTO provider will:

- inform and support parents to gain the knowledge and skills required to understand and manage the various stages of their child's development
- reassure parents through health surveillance and clinical assessment that their child is developing normally, and if necessary, ensure any health or developmental concerns are referred appropriately, and addressed in a timely way
- promote positive parenting skills and attachment
- work in partnership with families or whānau to identify the strengths of the family and whanau and their need for support, and either provide or facilitate access to support from other health or community services, especially for those children of families and whānau at risk of adverse outcomes
- where children and young people are receiving services from other agencies, the service provider will participate in intersectoral collaboration and co-ordination initiatives such as Ministry of Social Development (MSD) Family Start (FS) funded intensive home-based support service for families with high needs
- promote family and whānau understanding of the WCTO services available and assist them to access the provider's own or alternative services if this is the client's wish
- provide culturally competent services to all children and their families and whānau
- provide services in a way that recognises the needs of identified priority groups, including Māori, Pacific people, children from families with multiple social and economic disadvantage and children with high health and disability support needs
- improve integration, coverage and co-ordination of WCTO services for the client population, including identification and facilitation of increasing uptake of immunisation and overall coverage rates

WCTO services must be able to measure their effectiveness, across the organisation (in terms of structure, systems, management, staff, culture of the organisation) to support families and whānau to maximise their child's development between the ages of 0 – 5 years.

Vitamin D supplements for vulnerable older people living in age related residential care facilities. Research has confirmed the majority of older adults have insufficient levels of Vitamin D and are at risk of increased falls and injury from falls. Adequate levels of Vitamin D improve muscle strength and balance as well as bone density and cognitive function. ACC injury prevention focus is to minimise the risk of injury, especially fracture of neck of femur as a result of a fall by encouraging general practice and residential care providers to use Vitamin D supplements.

Lakes DHB performance

Lakes DHB has three WCTO providers, Tuwharetoa Health Charitable Trust (Turangi/Taupo), Plunket and Tipu Ora (Rotorua). The providers have a set number of new babies allocated to them annually in relation to the number of births in the population. All babies are enrolled at birth and then the services look after them for their core checks through their pre school years. If families shift the babies are transitioned between providers and DHBs.

These providers also provide the B4 School check with the help of the Lakes DHB Public Health Nursing and Screening Service who coordinate the B4 School programme. Lakes DHB achieved the B4 School targets for 2012/13. This is a significant achievement in a high deprivation population due to the difficulty in finding many children who are not engaged with early childhood education, are transient and are not engaged with other child health services. The target was achieved through a mixture of home visiting and community clinics.

The ACC target of 75% continues to be met by residential care providers. Efforts continue to expand implementation to include older populations both within care and in the community.

Impact	Baseline measure			Targets		
	Output Description		Base	2012/13	Result	Achieved / Not Achieved
People maintain functional independence	Increase the number of the over 65 population who access restorative home and community support services		78	250	309	A
	Increase in number of dementia specific day activity programme attendances for clients with dementia		46	175	184	A
	Percentage of older people receiving long term home support who have had comprehensive clinical assessment and a completed care plan in the last twelve months[16]			100%	95%	NA
	Number of people accessing Primary Mental Health Initiative[17]	Adult	New	600	884	A
	Percentage of people who access Primary Mental Health Initiative who are Maori	Adult	New	25%	30%	A

Significance of the Measure

With knowledge and support vulnerable groups of people can build their resilience and become less dependent on funded services.

The increase in the proportion of the population in older age categories over the next 10 to 15 years enhances the need to support people to age positively and remain mobile, active and socially engaged with their community and living at home for longer in an aim to minimise the need for high cost treatment or institutional care. The incidence of chronic medical conditions and age related conditions such as dementia will also increase the demand for community and residential support services.

National, regional and local emphasis is on knowing the people who need support, using standardised comprehensive assessment of the need processes, collaboration and sharing information with other health professionals and service providers, providing seamless services that are outcome focussed, flexible and responsive to the person and the carers / family / whanau.

Lakes DHB Performance

Restorative home and community support services focus on identified need and providing information, education and support that will meet a need which in Lakes includes access to community based allied health teams, as well as a range of home-based support services and respite and day programmes.

Regionally, work is underway to change the model of home and community support services to focus less on completing tasks and more on building resilience so older people can care for themselves and be independent longer. This work will continue into 13 to 14 year.

The number of older people being referred to physiotherapy and occupational therapists as part of attending community rehabilitation programmes continues to rise with the expected outcomes of improved mobility, strength and balance and increased access to aids and equipment to support living at home for longer. These teams utilise information from interRAI and are linked with the home based support providers staff to ensure continuity to their intervention.

[16] These assessments result in people receiving better health and disability services because they are based on a robust international, clinically verified assessment tool (InterRAI).
[17] This initiative deals with mild and moderate mental health conditions or substance abuse. If seen in primary care, it is hoped that the conditions will not progress, and the patient can maintain their functional independence.

Lakes DHB contracts with two services to specifically develop non facility based meaningful activity programmes for people who have dementia and who would not attend a normal day activity programme. Both services have increased capacity and activities over the last 12 months and report that participants and their carers find the experiences positive and engaging.

Lakes DHB through Needs Assessment Service Co-ordination (NASC) services has used standardised comprehensive geriatric assessment tool for the past five to six years for all older people requiring community support. In the last 12 months all NASC assessments have been completed using interRai tools.

However, a recent regional comparison between NASC and national interRai data base has identified a number of people who require an interRai assessment. Lakes DHB has contracted an assessment service to complete all outstanding assessments by 30 August 2013 at which point Lakes DHB will be compliant with this requirement.

The earlier intervention approach of PHO led primary mental health initiatives has provided support to general practices across the Lakes DHB district. While the targets for Lakes DHB have been met, given the higher proportion of Maori within the population, 30% is not reflective of community representation or need. This will be an area of focus in 2013/14 as will be our intention to capture all data relating to primary mental health activity from DHB as well as PHO-led services.

4 Outcome: People Receive Timely and Appropriate Care

Impact	Baseline measure		Targets		
	Output Description	Base	2012/13	Result	Achieved / Not Achieved
People are seen promptly for acute care	Number of acute inpatient presentations	14,994	10,561	13,091	A
	Number of presentations to Emergency Department	26,704	25,876	28,096	A
	Acute re-admission rate (OS8)	11.7%	TBC by 31 July 2012 with the Ministry of Health	11.7%	A
	Inpatient average length of stay reduced (OS3)	3.5	3.5	3.33	A
	Radiation Oncology and Chemotherapy wait times are within 4 weeks of being ready for treatment	100% (6weeks)	100% (4weeks)	100%	A

Significance of the Measure

This measure revolves around treating the Lakes population as early as possible to reduce hospital admissions wherever possible, or to reduce the length of stay if clinically appropriate. While reducing the length of stay monitoring will continue in order to ensure that discharges are made according to patient need. Lakes DHB has resources available to meet acute demand and need.

Oncology and radiation treatment for people living in Lakes DHB area is available at Waikato Hospital, thus requiring people to be referred by their general practitioner to Lakes DHB specialist services and then to Waikato DHB cancer specialist services before confirmed diagnosis and access to treatment.

The risk of delay is minimised by MOH health target that 100% of patients start their treatment within four weeks of being ready for treatment - unless they wish otherwise.

Lakes DHB Performance

Lakes DHB domiciled patients have been seen promptly for acute care as demonstrated above with increasing numbers seen over the last two financial years including ED presentations. For Lakes DHB, this can be attributed to its high deprivation community directly accessing services at the DHB's two public hospital sites. Lakes has achieved the desired target in all areas of acute care for 2012/13.

Waikato DHB radiotherapy and oncology services continue to meet targets for the Lakes DHB community.

Impact	Baseline measure			Targets	
	Output Description	Base	2012/13	Result	Achieved / Not Achieved
People have appropriate access to elective[18] services	Number of first specialist assessments (FSAs)	10,626	10,903	13,008	A
	Percentage of Patients waiting longer than five months for their First Specialist Assessments (FSAs) by June 2013 – ESPI 2 [Minister's LOE]	2%	0%	0%	A
	Number of elective discharges – linked to **SI4**				
	Total	3,472	3,607	4,155	A
	Cardiothoracic (Cardiac)	62	50	41	NA
	Orthopaedics (joints)	222	483	899	A
	Ophthalmology (cataract)	366	524	519	NA
	ESPIs (Elective Services Patient Flow Indicators)[19]				
	ESPI 1 – timely processing of referrals	100%	100%	100%	A
	ESPI 3 – patients waiting without a commitment to treatment	0%	0%	0%	A
	ESPI 6 - patients in active review who have not received assessment within 6 months	0%	0%	0%	A
	ESPI 8 – proportion of patients treated who were prioritised using a recognised tool	100%	100%	100%	A
	Elective and arranged Day **of** Surgery rate is achieved - **OS7**	90%	95%	99.51%	A
	Elective and arranged Day Surgery rate is achieved - **OS6**	59.6%	59.6%	59%	A
	Theatre Utilisation percentage is maintained at agreed optimum level - **OS5**	85%	85%	84.67%	A
	Inpatient average length of stay reduced - **OS3**	3.85	3.65	2.80	A
	Did-not Attend rate for outpatient services – Total Population	12%	10%	12.9%	NA
	Did-not Attend rate for outpatient services – Maori	22%	18%	19.7	NA
	Rate (%) of spontaneous vaginal births among standard primiparae domiciled to the DHB	79.8%[20]	80%	82.70%	A
	Rate (%) of standard primiparae giving birth by caesarean section, domiciled to the DHB	11.7%[21]	<12%	10.4%[22]	A
	Rate (%) of premature births (32-36 weeks), domiciled to the DHB	4.8%[23]	<5%	6.6%[24]	NA

Significance of the Measure

Access to elective services for the Lakes population as early as possible aid our communities' overall wellbeing. Our aim is to operate theatre space as efficiently as possible, while reducing idle time where practical. To enable more elective procedures, higher volumes of first and follow up assessment were also required. The commitment of quality staff to deliver these targets was put in

[18] Defined as including all ambulatory, elective and arranged services on an inpatient and outpatient basis. This also includes maternity as DHB funded maternity services are accessed acutely, electively and also in the community and contribute to the impacts "people are seen promptly for acute care" and "people have appropriate access to elective services"
[19] See Appendix 8. 10 for details and definitions
[20] Baseline and average data equal actuals in 2009
[21] Baseline and average data equals 2009 actuals
[22] Data is for the 2011 calendar year (NZ Maternity Clinical Indicators, MoH 2013)
[23] Baseline and average data equals 2009 actuals
[24] Data is for the 2011 calendar year (NZ Maternity Clinical Indicators, MoH 2013)

place for 2012/13. Where specialist treatment lay outside of the secondary skill set of our DHB, the appropriate referrals to tertiary hospitals are in place.

Lakes DHB Performance

Lakes DHB populations have had access to and been served in excess of the target around elective services. The waiting list continues to reduce in line with the Ministry of Health's guidelines. No patient has a wait of more than five months. Standard intervention rates have been met in a number of specialist areas with orthopaedics being a standout for 2012/13. Theatre utilisation continues to meet the target enabling a satisfactory workflow and throughput in 2012/13.

<table>
<tr><th rowspan="2">Impact</th><th colspan="3">Baseline measure</th><th colspan="3">Targets</th></tr>
<tr><th colspan="2">Output Description</th><th>Base</th><th>2012/13</th><th>Result</th><th>Achieved / Not Achieved</th></tr>
<tr><td rowspan="10">Improved health status for people with a severe mental illness</td><td colspan="2">A referred young person (0-19 years) is seen by Alcohol and Other Drug health professional within 3 weeks of referral being received – PP8</td><td>-</td><td>64%</td><td>58%</td><td>NA</td></tr>
<tr><td rowspan="2">Improving the percentage of long-term adult clients (20+ year old) with up to date relapse prevention / treatment plans - PP7</td><td>Total</td><td>78%</td><td>95%</td><td>97%</td><td>A</td></tr>
<tr><td>Maori</td><td>81%</td><td>95%</td><td>96%</td><td>A</td></tr>
<tr><td rowspan="2">Improving the percentage of long-term child clients with up to date relapse prevention / treatment plans - PP7</td><td>Total</td><td>71%</td><td>95%</td><td>92%</td><td>NA</td></tr>
<tr><td>Maori</td><td>56%</td><td>95%</td><td>92%</td><td>NA</td></tr>
<tr><td colspan="2">Acute inpatient (HoNOS)[25]* effect size – Significant improvement - KPI1[26]</td><td>37%</td><td>47%</td><td>81.9%</td><td>A</td></tr>
<tr><td colspan="2">28 date acute re-admission rates - KPI2</td><td>24%</td><td>24%</td><td>27%</td><td>NA</td></tr>
<tr><td colspan="2">Average length of acute inpatient stays - KPI8</td><td>14%</td><td>14%</td><td>8.2%</td><td>A</td></tr>
<tr><td colspan="2">Pates of post discharge community care - KPI18</td><td>71%</td><td>90%</td><td>69.5%</td><td>NA</td></tr>
<tr><td colspan="2">Shorter wait times for non-urgent mental health and addiction services (Adult) - PP8</td><td>-</td><td>75%</td><td>79%</td><td>A</td></tr>
</table>

Significance of the Measure

This measure is concerned with the capacity of services to see people in a timely manner while planning for effective discharge and follow up as a means to reducing symptom exacerbation or relapse of mental illness.

Systems that improve service access and make for a more seamless 'flow' through the service continuum (including primary care) provide service users with better opportunity for earlier intervention and reduced long term impact from illness.

Lakes DHB Performance

Lakes DHB shows a mixed picture in relation to its achievements against these measures. A flurry of activity late in the year has revealed that incorrect or absent data entry has negatively impacted on the DHB's reporting against the wait times for young people accessing alcohol and other drug services. Work is ongoing around this and will be remedied in 2013/14.

[25] HoNOS: Health of the Nation Outcome Scale: Measures behaviour, impairment, symptoms and social functioning with the Mental Health Services.
[26] KPIs are key performance indicators and they are linked to the PRIMHD which a single national mental health and addiction information collection of service activity and outcomes for health consumers.

In regard to the remaining four measures being not achieved, there is a lack of clarity at present as to why this is the case.

Impact	Baseline measure		Targets		
	Output Description	Base	2012/13	Result	Achieved / Not Achieved
People with end stage conditions are supported	Number clients supported by specialist palliative care	282	290	384	A
	Percentage of people supported by specialist palliative care, other than cancer or end stage chronic health conditions[27]	35 in 2010	28	42%	A

Significance of the Measure

Provision of palliative care is a part of most health services with specialist palliative care services being available through hospices and Waikato DHB. Recent national documents and reports outline the current and future demands for palliative care and a resource and capability framework that focuses on the need for further up-skilling of general providers of palliative care, standardising clinical pathways and establishing a regional pool of specialist expertise. The development of the Liverpool Care Pathway for the Dying has been well implemented locally and palliative care is also being made available to other than those with cancer.

Lakes DHB Performance

Both specialist palliative care services based with two hospices report significant increases in the past 12 months with 105 more referrals being received than in the previous year.

The number of people who have chronic medical conditions, in particular respiratory and cardiovascular conditions that access specialist palliative care is also increasing. Specialist palliative care services report that caring for this client group requires more resources and time than services for people with cancer. This will likely impact on the financial sustainability of these services within the current funding agreement.

Lakes palliative care providers work collaboratively and also as part of a regional network of palliative care services. In 2012/13, the Midland Cancer Network assisted in the compilation of a Lakes Adult Palliative Care Action Plan that is currently being worked through as well as an online Palliative Care Services Directory.

Both hospices continue to facilitate Fundamentals of Palliative Care training for both residential and community based support staff.

[27] Typically, most people who receive specialist palliative care have either cancer or end stage chronic health conditions such as cardiovascular, respiratory disease and less commonly renal failure. By identifying the proportion of people who do not have either of these two conditions, we will also be broadening the scope of our service and ensuring greater equity of access (ie a quality measure).

5 Support Services

Impact	Baseline measure		Targets		
	Output Description	Base	2012/13	Result	Achieved / Not Achieved
We also fund and deliver services which contribute towards a range of the impacts above	Total number of pharmaceutical items dispensed in the community	1,359,460	1,359,460	1,331,135	A
	Total number of community referred radiology Relative Value Units (RVUs)[28]	22,516	22,845	24,200	A
	Percentage of community laboratory tests completed : Within 48 hours for routine tests; and Within 3 hours for urgent tests; From receipt of the specimen at the laboratory	90% 80%	90% 80%	100% 96%	A

Significance of Measure

The new Community Pharmacy Services Agreement (CPSA) is intended to improve and integrate pharmacy dispensing into medication management care. This will create the opportunity for professional medicine management to be included within a shared patient care plan between prescribers and other health providers.

The key impact sought has been a reduction in repeat dispensing although we acknowledge there also has been growth in initial dispensing. New contract arrangements with our pharmacies are being implemented and methods of funding explored while we transition to the new arrangements.

Community referred radiology is designed to assist admission avoidance and ED presentation through increased diagnostic capability within primary care. Primary referred radiology will also facilitate improved integration between primary and secondary referral for primary care management and first specialist intervention.

Lakes DHB Performance

A decrease of 1.3% in dispensing is evident across our pharmacies.

There has been an increase in community referred radiology which shows a strong trend for capacity and care planning in the primary sector.

Here, the Lakes DHB has exceeded the targeted volumes for our community during the 2012/13 financial year. Not only has this been exceeded, but we also remain inside the national wait list timelines. In addition to this we have assisted other DHBs waitlist reductions by providing volumes at Lakes DHB.

In terms of laboratory activity, the Lakes DHB has performed in excess of the base and the 2012/13 annual target which continues the trend from the previous year. This achievement has been consistent for each quarter as reported above to the Planning and Funding division from the laboratory provider in terms of performance monitoring timelines.

[28] An individual operative / diagnostic / assessment according to the Royal Australian and New Zealand College of Radiologists.

Statement of Responsibility for the Year Ended 30 June 2013

1. The Board and management of Lakes District Health Board accept responsibility for the preparation of the financial statements and the judgments used in them.

2. The Board and management of Lakes District Health Board accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non financial reporting.

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

Board Member

18 October 2013

Board Member

18 October 2013

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent auditor's report

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

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

We have audited:

- the financial statements of the Health Board and group on pages 45 to 95, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Health Board that comprises the statement of service performance on pages 23 to 39 and the report about outcomes on pages 24 to 39.

Unmodified opinion on the financial statements

In our opinion the financial statements of the Health Board and group on pages 45 to 95:

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

Qualified opinion on the performance information

Reason for our qualified opinion

Performance information from third party health providers

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

Performance information about shorter stays in emergency departments

Our testing of the national health target for shorter stays in emergency departments found inconsistencies in the recorded times for the discharge of patients that are used to determine the reported performance. As a result, we were unable to verify the reported performance for that target. The performance could be misstated, but we are unable to quantify the extent of any misstatement.

Qualified opinion

In our opinion, except for the effect of the matters described in the "Reason for our qualified opinion" above, the performance information of the Health Board and group on pages 23 to 39:

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

Our audit was completed on 18 October 2013. This is the date at which our opinion is expressed.

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

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and performance information. We were unable to determine whether there are material misstatements in the performance information because the scope of our work was limited, as we referred to in our opinion.

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

Our audit of the financial statements involved evaluating:

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

Our audit of the service performance information involved evaluating:

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

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

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

Responsibilities of the Board

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

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

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

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

Responsibilities of the Auditor

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

responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

B H Halford
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Lakes DHB Group Budget 2013 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Group Actual 2012 $000	Lakes DHB Actual 2013 $000	Lakes DHB Actual 2012 $000
Income						
Revenue	1	308,977	310,624	299,581	310,170	299,159
Other operating revenue	2	3,767	4,646	4,669	4,807	4,869
Gains	3	0	18	13	18	13
Finance income	4	648	874	926	831	890
Total income		313,392	316,162	305,189	315,826	304,931
Expenditure						
Personnel costs	5	95,900	95,113	94,465	95,113	94,465
Depreciation and amortisation expense	12, 13	11,404	9,646	9,664	9,646	9,664
Other operating expenses	6	199,149	204,373	197,160	204,637	197,146
Finance costs	4	2,469	2,305	1,881	2,305	1,881
Capital charge	23	5,272	6,545	5,100	6,545	5,100
Total operating expenditure		314,194	317,982	308,270	318,246	308,256
OPERATING SURPLUS/(DEFICIT) BEFORE TAX		(802)	(1,820)	(3,081)	(2,420)	(3,325)
Share of associate surplus/(deficit)	7	0	40	(1)	0	0
SURPLUS/(DEFICIT) BEFORE TAX		(802)	(1,780)	(3,082)	(2,420)	(3,325)
Income tax expense		0	0	0	0	0
SURPLUS/(DEFICIT) AFTER TAX		**(802)**	**(1,780)**	**(3,082)**	**(2,420)**	**(3,325)**
OTHER COMPREHENSIVE INCOME						
Gains on property revaluations	19	0	0	19,058	0	19,058
Cash flow hedges	19	0	1,053	(1,439)	1,053	(1,439)
Total other comprehensive income		**0**	**1,053**	**17,619**	**1,053**	**17,619**
TOTAL COMPREHENISVE INCOME		**(802)**	**(727)**	**14,537**	**(1,367)**	**14,294**

Explanations of significant variances against budget are detailed in note 33

The accompanying accounting policies and notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Lakes DHB Group Budget	Lakes DHB Group Actual		Lakes DHB Actual	
		2013	2013	2012	2013	2012
		$000	$000	$000	$000	$000
BALANCE AT 1 JULY		67,223	83,730	68,586	81,025	66,124
Capital contribution from the Crown		0	0	908	0	908
Repayment of capital to the Crown		(301)	(301)	(301)	(301)	(301)
Total comprehensive income		(802)	(727)	14,537	(1,367)	14,294
BALANCE AT 30 JUNE	19	66,120	82,702	83,730	79,357	81,025

Explanations of significant variances against budget are detailed in note 33

The accompanying accounting policies and notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Lakes DHB Group Budget 2013 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Group Actual 2012 $000	Lakes DHB Actual 2013 $000	Lakes DHB Actual 2012 $000
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	8	210	9,915	18,379	7,606	16,915
Debtors and other receivables	9	9,305	9,205	8,759	9,282	8,926
Inventories	10	1,932	2,057	1,993	2,057	1,993
TOTAL CURRENT ASSETS		11,447	21,177	29,131	18,945	27,834
NON - CURRENT ASSETS						
Property, plant and equipment	12	132,664	145,488	134,965	145,488	134,965
Intangible assets	13	5,769	2,444	3,020	2,444	3,020
Investments in associates	7	0	60	21	1	1
Investments in joint ventures	14	1,577	1,175	1,472	0	0
TOTAL NON - CURRENT ASSETS		140,010	149,167	139,478	147,933	137,986
TOTAL ASSETS		**151,457**	**170,344**	**168,609**	**166,878**	**165,820**
LIABILITIES						
CURRENT LIABILITIES						
Creditors and other payables	15	18,172	19,728	21,455	19,607	21,371
Employee entitlements	16	11,722	12,198	11,527	12,198	11,527
Borrowings	17	444	6,623	646	6,623	646
Provisions	18	0	35	43	35	43
Derivative financial instruments	11	0	86	0	86	0
TOTAL CURRENT LIABILITIES		30,338	38,670	33,671	38,549	33,587

The accompanying accounting policies and notes form part of these financial statements

	Notes	Lakes DHB Group Budget 2013 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Group Actual 2012 $000	Lakes DHB Actual 2013 $000	Lakes DHB Actual 2012 $000
NON CURRENT LIABILITIES						
Employee entitlements	16	2,581	2,615	2,584	2,615	2,584
Borrowings	17	50,983	44,623	45,751	44,623	45,751
Derivative financial instruments	11	1,434	1,734	2,873	1,734	2,873
TOTAL NON CURRENT LIABILITIES		54,998	48,972	51,208	48,972	51,208
TOTAL LIABILITIES		**85,336**	**87,642**	**84,879**	**87,521**	**84,795**
NET ASSETS		**66,121**	**82,702**	**83,730**	**79,357**	**81,025**
EQUITY						
Crown equity	19	21,479	21,295	21,596	21,290	21,591
Other reserves	19	27,245	45,086	44,033	45,086	44,033
Retained earnings/(losses)	19	16,306	15,344	17,143	12,981	15,401
Trust funds	19	1,091	977	958	0	0
TOTAL EQUITY		**66,121**	**82,702**	**83,730**	**79,357**	**81,025**

For and behalf of the Board

Board Member

18 October 2013

Board Member

18 October 2013

Explanations of significant variances against budget are detailed in note 33

The accompanying accounting policies and notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Lakes DHB Group Budget 2013 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Group Actual 2012 $000	Lakes DHB Actual 2013 $000	Lakes DHB Actual 2012 $000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Receipts from MOH and patients		312,999	314,842	306,793	314,639	306,391
Interest received		648	874	926	831	890
		313,647	315,716	307,719	315,470	307,281
Cash was applied to:						
Payments to suppliers		199,636	206,953	199,605	207,538	199,346
Payments to employees		95,865	94,411	94,115	94,411	94,115
Interest paid		1,962	2,305	1,881	2,305	1,881
ACC Partnership Programme Payments		0	107	124	107	124
Distribution to owners: capital charge		5,272	6,545	6,503	6,545	6,503
GST (net)		(70)	(266)	39	(252)	42
		302,665	310,055	302,267	310,654	302,011
Net cash flows from operating activities	20	10,982	5,661	5,452	4,816	5,270
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Proceeds from sale of property		1,500	0	0	0	0
		1,500	0	0	0	0
Cash was applied to:						
Purchase of property, plant and equipment		27,926	18,509	23,460	18,509	23,460
Purchase of intangible assets		1,245	164	401	164	401
		29,171	18,673	23,861	18,673	23,861
Net cash flows from investing activities		(27,671)	(18,673)	(23,861)	(18,673)	(23,861)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from:						
Proceeds from finance lease liabilities		0	284	143	284	143
Proceeds from CHFA loans		0	4,565	15,000	4,565	15,000
Proceeds from shareholder capital injection		0	0	908	0	908
Cash was applied to:						
Repayments of shareholder capital		(301)	(301)	(301)	(301)	(301)
Repayments - other		0	0	0	0	0
Net cash flows from financing activities		(301)	4,548	15,750	4,548	15,750
Net increase/(decrease) in cash, and cash equivalents		**(16,990)**	**(8,464)**	**(2,659)**	**(9,309)**	**(2,841)**
Cash and cash equivalents at beginning of year		17,200	18,379	21,038	16,915	19,756
Cash and cash equivalents at end of year	8	**210**	**9,915**	**18,379**	**7,606**	**16,915**

During the period Lakes DHB acquired property, plant and equipment totalling $984k (2012: $634k) by means of finance leases.

Explanations of significant variances against budget are detailed in note 33.

The accompanying accounting policies and notes form part of these financial statements

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2013

Reporting Entity

The Lakes District Health Board (Lakes DHB or the DHB) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. The DHB's ultimate parent is the New Zealand Crown.

The consolidated financial statements of the Lakes DHB Group comprise of Lakes DHB and its subsidiaries (together referred to as 'The Group') and Lakes DHB Group's interest in associates and jointly controlled entities.

The group consists of Lakes DHB, its subsidiary, Spectrum Health Limited (100% owned), in substance subsidiary, The Lakes District Health Board Charitable Trust, associate entity Lakes Ophthalmic Services Limited (50% owned), and jointly controlled entities HealthShare Limited (20% owned) and Laboratory Services Rotorua (50% owned).

The DHB's primary objective is to deliver health, disability and mental health services to the community within its district. Accordingly, the DHB has designated itself and the group as a public benefit entity for the purposes of the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements for the DHB are for the year ended 30 June 2013, and were approved by the Board on 18 October 2013.

Basis of preparation

Statement of compliance

The financial statements of the DHB have been prepared in accordance with the requirements of the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

Measurement Basis

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

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the DHB, its subsidiaries, associates, and jointly controlled entities is New Zealand dollars (NZD).

Changes in accounting policies

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

There have been no revisions to accounting standards during the financial year which have had an effect on the DHB's financial statements.

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

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

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

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

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

Basis of consolidation

Subsidiaries

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

Associates

Associates are those entities in which Lakes DHB Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include Lakes DHB Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When Lakes DHB Group's share of losses exceeds its interest in an associate, Lakes DHB Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that Lakes DHB Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Joint ventures

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

Transactions eliminated on consolidation
Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of Lakes DHB Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction.

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

Budget figures

The budget figures are those approved by the board in its Annual Plan and included in the Statement of Intent tabled in parliament. The budget figures have been prepared in accordance with NZ GAAP.

Financial instruments

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, interest bearing loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if Lakes DHB Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if Lakes DHB Group's contractual rights to the cash flows from the financial assets expire or if Lakes DHB Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that Lakes DHB Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if Lakes DHB Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits with maturity of no more than three months from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of Lakes DHB Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets
Lakes DHB Group's investments in equity securities are classified as available-for-sale financial assets. Subject to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Instruments at fair value through profit or loss
An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if Lakes DHB Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred.

Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other
Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment costs.

Investments in equity securities
Investments in equity securities held by Lakes DHB Group are classified as available-for-sale, except for investments in equity securities of subsidiaries, associates and joint ventures which are measured at cost.

The fair value of equity investments as available-for-sale is their quoted bid price at the balance sheet date.

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

- Freehold land
- Leasehold land
- Freehold buildings
- Plant, equipment and motor vehicles
- Work in progress

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

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

Additions to property, plant and equipment between revaluations are recorded at cost.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

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

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

Disposal of property, plant and equipment
Where an item of plant and equipment is disposed of, the gain or loss recognised in the statement of comprehensive income is calculated as the difference between the net sales price and the carrying amount of the asset.

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

Depreciation
Depreciation is charged to the statement of comprehensive income using the straight line method. Land is not depreciated.

Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as fallows:

Class of asset	**Estimated life**	**Depreciation rate**
Buildings		
Structure	25 to 150 years	1% - 4%
Services	15 to 30 years	3% - 7%
Fit-out	5 to 20 years	5% - 20%
Site specific	20 to 50 years	2% - 5%
Plant and equipment	5 to 20 years	5% - 20%
Motor vehicles	5 to 15.5 years	6.5%-20%
Computer hardware	3 to 7 years	14.3% - 33%

The residual value of assets is reassessed annually.

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

Intangible assets
Acquisition
Intangible assets that are acquired by Lakes DHB Group are stated at cost less accumulated amortisation and impairment losses.

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

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

Type of Asset	**Estimated Life**	**Amortisation rate**
• Software purchased/inhouse	3 - 10 years	10% - 33%

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. An external, independent registered valuation company, having an appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the portfolio every twelve months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the statement of comprehensive income. Rental income from investment property is accounted for as described in the accounting policy on rental income (see below).

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in the statement of comprehensive income.

If an investment property becomes owner-occupied, it is reclassified as property and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent reporting. When Lakes DHB Group begins to redevelop an existing investment property for continued use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by property basis when Lakes DHB Group holds it to earn rentals or capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in the accounting policy on operating lease payments and finance lease payments (see below).

Debtors and other receivables

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

A receivable is impaired when there is objective evidence that the DHB will not be able to collect amounts due. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are classified as current (that is, not past due).

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of good and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average cost method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the statement of comprehensive income in the period of the write-down.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances, call deposits, and deposits with a maturity of no more than three months from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of Lakes DHB Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Impairment

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

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

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

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

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

The recoverable amount of Lakes DHB group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual trade receivables that are considered significant are subject to this approach. For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

Calculation of recoverable amount

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

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is calculated differently depending on whether an asset generates cash or not. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

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

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

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

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

Interest-bearing loans and borrowings
Interest-bearing borrowings are classified as other non-derivative financial instruments.

Lakes DHB and Group has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

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

Employee entitlements
Defined contribution plans
Obligations for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income as incurred.

Defined benefit schemes plans
Lakes DHB belongs to the defined benefit plan contributors scheme (the scheme) which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Long service leave, sabbatical leave, retirement gratuities, and medical education leave
Lakes DHB Group's net obligation in respect of long service leave, sabbatical leave, retirement gratuities and medical education leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market rate on relevant New Zealand government bonds at the balance date.

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

The liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

Presentation of employee entitlements
Sick leave, medical education leave, annual leave, and vested long service leave and sabbatical leave are classified as a current liability. Non-vested long service leave, sabbatical leave, and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Provisions

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

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

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by Lakes DHB Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

ACC Partnership Programme
Lakes DHB belongs to the ACC Partnership Programme whereby Lakes DHB accepts the management and financial responsibility of work related illnesses and accidents of employees. Under the programme Lakes DHB is liable for all its claims costs for a period of four years up to a specified maximum. At the end of the four year period, Lakes DHB pays a premium to ACC for the value of residual claims, and from that point the liability for ongoing claims passes to ACC.

The liability for the ACC Partnership Programme is measured using actuarial techniques at the present value of expected future payments to be made in respect of the employee injuries and claims up to the reporting date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Crown equity;
- accumulated surpluses;
- revaluation reserves; and
- trust funds.

Revaluation reserves
These reserves are related to the revaluation of land and buildings to fair value.

Cash flow hedge reserves
These reserves are related to the revaluation of derivatives.

Trust funds
This reserve records the unspent amount of donations and bequests provided to the DHB.

Creditors and other payables

Creditors and other payables are generally settled within 30 days so are recorded at their face value.

Derivative financial instruments and hedge accounting

Lakes DHB Group uses foreign exchange and interest rate swaps contracts to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investing activities.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Lakes DHB Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current credit worthiness of the swap counterparts. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Lakes DHB Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

Lakes DHB Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Lakes DHB Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedge accounting derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is only applied for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortised to the surplus or deficit over the period to maturity.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

Income Tax

Lakes DHB is a crown entity 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.

Goods and services tax

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

Revenue

Crown funding

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

ACC contracted revenue

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

Revenue from other DHB's

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

Goods sold and services rendered

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

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

Rental income

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

Dividend income

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

Interest income

Interest income is accrued using the effective interest rate method. The effective interest rate method exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount. The method applies this rate to the principal outstanding to determine income each period.

Capital charge

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

Trust and bequest funds

Donations and bequests to Lakes DHB are recognised as revenue when control over assets is obtained.

A charitable trust fund has been established and Lakes DHB administers its funds. Donations and bequests received are treated as revenue on receipt in the statement of comprehensive income. Those with restrictive conditions are subsequently appropriated to trust funds forming part of equity.

Leases

Operating lease payments

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Finance lease payments

Leases where Lakes DHB Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in the statement of comprehensive income as finance costs.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Non current assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable NZ IFRSs. Then, on initial classification as held for sale, a non-current asset and/or a disposal group is recognised at the lower of its carrying amount and its fair value less costs to sell.

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

A discontinued operation is a component of Lakes DHB Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Business combinations involving entities under common control

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

Lakes DHB Group applies the book value measurement method to all common control transactions.

Statement of cash flows

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

Operating activities include cash received from all income sources of the health board and records the cash payments made for the supply of goods and services.

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

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

Cost of service (Statement of Service Performance)

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

Cost allocation

Lakes DHB has arrived at the net cost of service for each significant activity using the cost allocation system outlined below.

Cost allocation policy

Direct costs are charged directly to output classes. Indirect costs are charged to output classes based on cost drivers and related activity/usage information.

Criteria for direct and indirect costs

"Direct costs" are those costs directly attributable to an output class.

"Indirect costs" are those costs which cannot be identified in an economically feasible manner with a specific output class.

Cost divers for allocation of indirect costs

The cost of internal services not directly charged to outputs is allocated as overheads using appropriate cost divers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements, the Board has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assts and liabilities within the next financial year are discussed below:

Land and buildings revaluations

Note 12 provides information about the estimates and assumptions applied in the measurement of revalued land and buildings.

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

The useful lives and residual values of property, plant and equipment are reviewed at each balance date. Accessing the appropriateness of useful life and residual value estimates requires the DHB to consider a number of factors such as the physical condition of the asset, advances in medical technology, expected period of use of the asset by the DHB, and expected disposal proceeds (if any) from the future sale of the asset.

An incorrect estimate of the useful life or residual life will affect the depreciable amount of an asset, therefore affecting the depreciation expense recognised in the surplus or deficit and the asset's carrying amount. The DHB minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The DHB has not made significant changes to post assumptions concerning useful lives and residual values.

Critical judgments in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies.

Lease classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the DHB.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

The DHB has exercised its judgement on the appropriate classification of leases, and has determined a number of lease arrangements are finance leases.

1. REVENUE

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
MOH contracted revenue	288,357	279,433	288,357	279,433
Other Government revenue	3,032	2,913	3,032	2,913
Inter-DHB revenue	16,788	14,884	16,788	14,884
ACC revenue	2,447	2,351	1,993	1,929
Total revenue	**310,624**	**299,581**	**310,170**	**299,159**

Revenue for health services includes all revenue received from the Crown (via the Ministry of Health), Accident Rehabilitation and Compensation Insurance Corporation (ACC) and other sources.

2. OTHER OPERATING REVENUE

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Sale of goods	501	575	501	575
Rendering of services	2,988	2,947	2,962	2,947
Donations and bequests received	630	9	817	211
Other	527	1,138	527	1,136
Total other operating revenue	**4,646**	**4,669**	**4,807**	**4,869**

3. GAINS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Non-financial instruments				
Property, plant, and equipment gains on disposal	18	13	18	13
Total gains	**18**	**13**	**18**	**13**

4. FINANCE INCOME AND FINANCE COSTS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Finance income				
Interest income:				
Term and call deposits	874	926	831	890
Total finance income	**874**	**926**	**831**	**890**
Finance costs				
Interest expense:				
Interest on finance leases	75	81	75	81
Interest on borrowings	2,230	1,800	2,230	1,800
Total finance costs	**2,305**	**1,881**	**2,305**	**1,881**

5. PERSONNEL COSTS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Salaries and wages	93,045	92,746	93,045	92,746
Defined contribution plan employer contributions	1,366	1,369	1,366	1,369
Increase/(decrease) in employee entitlements/liabilities	702	350	702	350
Total personnel costs	**95,113**	**94,465**	**95,113**	**94,465**

6. OTHER OPERATING EXPENSES

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Fees to auditor:				
fees to Audit New Zealand for audit of financial statement	123	118	116	111
fees to Audit New Zealand for other services	0	12	0	12
ACC Partnership Programme (note 18)	99	159	99	159
Board of director fees (note 24)	259	270	259	270
Inventory consumption	6	22	6	22
Impairment of receivables (note 9)	26	(3)	26	(3)
Loss on disposal of property, plant, and equipment	47	306	47	306
Minimum lease payments under operating leases	778	809	778	809
(Increase)/decrease in provisions (note 18)	(8)	(34)	(8)	(34)
Restructuring expenses	71	6	71	6
Other operating expenses	202,972	195,495	203,243	195,488
Total other expenses	**204,373**	**197,160**	**204,637**	**197,146**

The fees paid to Audit New Zealand for other services in 2011/12 were for an assurance review of project management over Lakes Health Service Improvement Project.

7. INVESTMENTS IN ASSOCIATES

a) General Information

Lakes DHB has a 50% interest in Lakes Ophthalmic Services Ltd and its reporting date is 30 June.

	Lakes DHB	
	Actual 2013 $000	**Actual 2012 $000**
Investment in Lakes Ophthalmic Services Ltd	1	1

The investment in the associate company is carried at cost in Lakes DHB's (parent entity) statement of financial position.

Lakes Ophthalmic Services Ltd is an unlisted company and, accordingly, there are no published price quotations to determine the fair value of this investment.

b) Summarised financial information of associate company

	Lakes DHB Group	
	Actual 2013 $000	**Actual 2012 $000**
Assets	416	305
Liabilities	265	265
Revenues	2,450	2,518
Surplus/(deficit)	111	0
Group's interest	50%	50%

c) Share of profit of associate company

	Lakes DHB Group	
	Actual 2013 $000	**Actual 2012 $000**
Share of profit/(loss) before tax	56	0
Less: tax expense	(16)	0
Prior period adjustment	0	(1)
Share of profit/(loss) after tax	**40**	**(1)**

d) Investment in associate company

	Lakes DHB Group	
	Actual 2013 $000	**Actual 2012 $000**
Movements in the carrying amount of investments in associates		
Balance as at 1 July	21	22
New investments during the year	0	0
Disposal of investments during the year	0	0
Share of total recognised revenues and expenses	39	(1)
Share of dividend	0	0
Balance at 30 June	**60**	**21**

e) Associates contingencies

Details of any contingent liabilities arising from Lakes DHB's involvement in the associate are disclosed separately in note 22.

Dissolution of Lakes Ophthalmic Services Ltd

The directors of Lakes Ophthalmic Services Ltd have agreed to change the model delivery of ophthalmic services away from a joint venture contract involving Lakes Ophthalmic Services Ltd to one where Rotorua Eye Clinic Ltd hold the contract for service directly with Lakes District Health Board. As a result it has been recommended that Lakes Ophthalmic Services Ltd cease trading from 1 July 2013 and be dissolved.

8. CASH AND CASH EQUIVALENTS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Cash at bank and in hand	1,488	3,379	(21)	1,915
Term deposits with maturities less than three months	800	15,000	0	15,000
Loan to HBL	7,627	0	7,627	0
Cash and cash equivalents in the statement of cash flows	**9,915**	**18,379**	**7,606**	**16,915**

The carrying value of short-term deposits with maturity dates less than three months approximates their fair value.

The Lakes District Health Board Trust's total value of cash and cash equivalents that can only be used for specified purpose as outlined in the trust deed is $1,010,393 (2012: $1,170,723).

9. DEBTORS AND OTHER RECEIVABLES

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Debtors and receivables due from related parties (see note 23)	59	346	237	345
Debtors and receivables from non-related parties	8,768	8,007	8,667	8,175
Prepayments	438	440	438	440
	9,265	8,793	9,342	8,960
Less provision for impairment	(60)	(34)	(60)	(34)
Total debtors and other receivables	**9,205**	**8,759**	**9,282**	**8,926**

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

Impairment
As of 30 June 2013 and 2012, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Actual 2013 Gross $000	Actual 2013 Impairment $000	Actual 2012 Gross $000	Actual 2012 Impairment $000
Lakes DHB				
Not past due	7,322	0	6,675	0
Past due 1 - 60 days	1,853	(16)	2,158	0
Past due 61 - 90 days	11	(8)	88	0
Past due > 90 days	156	(36)	39	(34)
Total	**9,342**	**(60)**	**8,960**	(34)
Lakes DHB Group				
Not past due	7,025	0	6,382	0
Past due 1 - 60 days	2,073	(16)	2,284	0
Past due 61 - 90 days	11	(8)	88	0
Past due > 90 days	156	(36)	39	(34)
Total	**9,265**	**(60)**	**8,793**	(34)

All receivables greater than 30 days in age are considered to be past due.

9. DEBTORS AND OTHER RECEIVABLES (Continued)

The impairment provision has been calculated based on expected losses for Lakes DHB's pool of debtors.

Expected losses have been determined based on an analysis of Lakes DHB's losses in previous periods, and review of specific debtors as detailed below:

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Individual impairment	60	34	60	34
Collective impairment	0	0	0	0
Total provision for impairment	**60**	**34**	**60**	**34**

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Past due 1 - 60 days	3	0	3	0
Past due 61 - 90 days	18	0	18	0
Past due > 90 days	39	34	39	34
Total individual impairment	**60**	**34**	**60**	**34**

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

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
At 1 July	34	37	34	37
Additional provisions made during the year	45	46	45	46
Provisions reversed during the year	(18)	(47)	(18)	(47)
Receivables written off during period	(1)	(2)	(1)	(2)
At 30 June	**60**	**34**	**60**	**34**

10. INVENTORIES

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Pharmaceuticals	292	343	292	343
Surgical and medical supplies	914	793	914	793
Other supplies	851	857	851	857
Total inventories	**2,057**	**1,993**	**2,057**	**1,993**

The carrying amount of inventories pledged as security for liabilities is $Nil (2012: $Nil). No inventories are subject to retention of title clauses.

Inventories held for distribution
The carrying amount of inventories held for distribution that are measured at cost as at 30 June 2013 amounted to $2,057 (2012: $1,993).

The write down of inventories held for distribution because of a loss in service potential amounted to $Nil (2012: Nil). There have been no reversals of write downs (2012: Nil).

The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Current liability portion				
Interest rate swaps - cash flow hedges	86	0	86	0
Total current liability portion	86	0	86	0
Non - current liability portion				
Interest rate swaps - cash flow hedges	1,734	2,873	1,734	2,873
Total non - current liability portion	1,734	2,873	1,734	2,873
Total derivative financial instrument liabilities	**1,820**	**2,873**	**1,820**	**2,873**

Fair Value

Interest rate swaps
The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Interest rate swaps
The notional principal amounts of the outstanding interest rate swap contracts for Lakes DHB Group were $30 million (2012: $30 million).

At 30 June 2013, the fixed interest rate of cash flow hedge interest rate swaps varied from 4.61% to 5.66% (2012: 4.61% to 5.66%).

Gains and losses recognised in the hedging reserve in equity (note 19) on interest rate swap contracts as at 30 June 2013 will be released to the surplus or deficit as interest is paid on the underlying debt.

12. PROPERTY, PLANT AND EQUIPMENT (PPE)

Movements for each class of property, plant and equipment (including work in progress) are as follows:

Lakes DHB and Group	Freehold land (at valuation)	Freehold buildings (at valuation/ cost)	Medical Plant and equipment	Non-Medical Plant and equipment	Computer Equipment	Motor Vehicles	Leased assets	Work in progress	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Cost									
Balance at 1 July 2011	5,250	39,260	23,780	3,352	7,398	1,326	2,935	50,381	133,682
Additions	0	12,383	2,947	694	275	1,103	634	4,268	22,304
Disposals	0	(775)	(2,534)	(815)	(1,058)	(38)	(44)	0	(5,264)
PPE Class Transfers	0	47,988	1,713	(139)	461	0	136	(50,009)	150
Revaluations	30	9,357	0	0	0	0	0	0	9,387
Balance at 30 June 2012	**5,280**	**108,213**	**25,906**	**3,092**	**7,076**	**2,391**	**3,661**	**4,640**	**160,259**
Balance at 1 July 2012	5,280	108,213	25,906	3,092	7,076	2,391	3,661	4,640	160,259
Additions	0	9,663	1,946	309	351	7	1,013	6,359	19,648
Disposals	0	0	(660)	(12)	(245)	(103)	(745)	0	(1,765)
PPE Class Transfers	0	2,834	28	8	361	6	0	(3,325)	(88)
Revaluations	0	0	0	0	0	0	0	0	0
Balance at 30 June 2013	**5,280**	**120,710**	**27,220**	**3,397**	**7,543**	**2,301**	**3,929**	**7,674**	**178,054**

12. PROPERTY, PLANT AND EQUIPMENT (PPE) (Continued)

Lakes DHB and Group	Freehold land (at valuation)	Freehold buildings (at valuation/ cost)	Medical Plant and equipment	Non-Medical Plant and equipment	Computer Equipment	Motor Vehicles	Leased assets	Work in progress	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Depreciation and Impairment charges									
Balance at 1 July 2011	0	(5,970)	(16,101)	(2,358)	(4,779)	(1,034)	(803)	0	(31,045)
Depreciation charge for the year	0	(4,310)	(2,381)	(236)	(1,350)	(191)	(593)	0	(9,061)
Disposals	0	775	2,440	813	1,047	38	28	0	5,141
PPE Class Transfers	0	(166)	0	166	0	0	0	0	0
Revaluations	0	9,671	0	0	0	0	0	0	9,671
Balance at 30 June 2012	**0**	**0**	**(16,042)**	**(1,615)**	**(5,082)**	**(1,187)**	**(1,368)**	**0**	**(25,294)**
Depreciation and Impairment charges									
Balance at 1 July 2012	0	0	(16,042)	(1,615)	(5,082)	(1,187)	(1,368)	0	(25,294)
Depreciation charge for the year	0	(4,478)	(2,460)	(236)	(911)	(125)	(606)	0	(8,816)
Disposals	0	0	606	12	245	102	579	0	1,544
PPE Class Transfers	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Balance at 30 June 2013	**0**	**(4,478)**	**(17,896)**	**(1,839)**	**(5,748)**	**(1,210)**	**(1,395)**	**0**	**(32,566)**
Carrying amounts									
At 1 July 2011	5,250	33,290	7,679	994	2,619	292	2,132	50,381	102,367
At 30 June 2012	**5,280**	**108,213**	**9,864**	**1,477**	**1,994**	**1,204**	**2,293**	**4,640**	**134,965**
At 1 July 2012	5,280	108,213	9,864	1,477	1,994	1,204	2,293	4,640	134,965
At 30 June 2013	**5,280**	**116,232**	**9,324**	**1,558**	**1,795**	**1,091**	**2,534**	**7,674**	**145,488**

Valuation

Current Crown accounting policies require all crown entities to revalue land and buildings in accordance with NZ IAS 16, Property, Plant and Equipment. Current valuation standards and guidance notes have been developed in association with the treasury for the valuation of hospitals and tertiary institutions.

The most recent valuation of land and buildings was performed by an independent registered valuer, Peter Todd BPA MRICS SPINZ of Darroch Limited. The valuation conforms to International Valuation Standards and was based on an optimised depreciation replacement cost methodology. The valuation is effective 30 June 2012.

12. PROPERTY, PLANT AND EQUIPMENT (PPE) (Continued)

Land

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

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

The most recent valuation of land was performed by a registered independent valuer Peter Todd of Darroch Ltd, and the valuation is effective 30 June 2012.

Buildings

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

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

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

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

The most recent valuation of buildings was performed by a registered independent valuer Peter Todd of Darroch Limited, and the valuation is effective 30 June 2012.

Restrictions

Some freehold and leasehold land, including the Rotorua Hospital site, is restricted for the provision of health care only.

The disposal of certain other land may be subject to legislation such as the Reserves Act 1977 and the "offer back" provisions of sections 40 - 42 of the Public Works Act 1981, as modified by clause 3 of the First Schedule to the Health Reforms Act (Transitional Provisions) 1993.

Subject to such legislation, if the board has declared land surplus and wishes to sell it, the Crown may require the board to sell that surplus land to it for use in the redress of Treaty of Waitangi claims. The board may also be required to assist the Crown to meet its obligations over Maori sites of significance.

Leased Assets

Lakes DHB Group leases vehicles under a number of finance lease agreements. At 30 June 2013, the net carrying amount of leased vehicles was $790,249 (2012: $260,511). The leased vehicles secures Lakes DHB Group's lease obligations.

Lakes DHB Group leases three buildings under operating lease agreements. Various leasehold improvements have been made by the DHB during the lease terms. At 30 June 2013, the net carrying amount of building leasehold improvements was $976,760 (2012: $1,051,321).

Lakes DHB Group leases IT equipment under a finance lease agreement. At 30 June 2013, the net carrying amount of leased IT equipment was $744,465 (2012: $981,320). The leased computer hardware secures Lakes DHB Group's lease obligations.

12. PROPERTY, PLANT AND EQUIPMENT (PPE) (Continued)

Impairment

Lakes DHB's buildings have been assessed for indicators of impairment using a range of standard indicators in NZ IAS 36. No evidence of impairment has been identified at 30 June 2013.

13. INTANGIBLE ASSETS

Movements for each class of intangible assets are as follows:

Lakes DHB and Group

	Acquired Computer Software $000	Developed Computer Software $000	Total $000
Cost			
Balance at 1 July 2011	7,242	0	7,242
Additions	433	0	433
Disposals	(1,831)	0	(1,831)
Transfer to other classes	(182)	0	(182)
Balance at 30 June 2012	**5,662**	**0**	**5,662**
Balance at 1 July 2012	5,662	0	5,662
Additions	164	0	164
Disposals	(20)	0	(20)
Work in progress	1	0	1
Transfer to other classes	88	0	88
Balance at 30 June 2013	**5,895**	**0**	**5,895**
Accumulated amortisation and impairment losses			
Balance at 1 July 2011	(3,869)	0	(3,869)
Amortisation expense	(603)	0	(603)
Impairment losses	0	0	0
Disposals	1,830	0	1,830
Transfer from other classes	0	0	0
Balance as at 30 June 2012	**(2,642)**	**0**	**(2,642)**
Balance at 1 July 2012	(2,642)	0	(2,642)
Amortisation expense	(830)	0	(830)
Impairment losses	0	0	0
Disposals	21	0	21
Transfer from other classes	0	0	0
Balance as at 30 June 2013	**(3,451)**	**0**	**(3,451)**
Carrying amounts			
At 1 July 2011	3,373	0	3,373
At 30 June 2012	**3,020**	**0**	**3,020**
At 1 July 2012	3,020	0	3,020
At 30 June 2013	**2,444**	**0**	**2,444**

Lakes DHB Group leases Computer Hardware under a finance lease agreement which includes a component of computer software. At 30 June 2013, the net carrying amount of leased computer software was $15,317 (2012: $20,632). The leased computer hardware (including software) is security for Lakes DHB Group's lease obligations.

There are no restrictions over the title of the non leased portion of Lakes DHB Group's intangible assets, nor are any intangible assets pledged as security for liabilities.

14. INVESTMENT IN JOINT VENTURES

i) HealthShare Ltd

Lakes DHB Group's participatory interest in HealthShare Ltd is accounted for as a jointly controlled entity.

The principal activity of HealthShare Ltd is to provide the DHB service planning, purchasing and contracting functions as agreed by the parties. HealthShare Ltd has a balance sheet date of 30 June and was incorporated in New Zealand. HealthShare Ltd is operated on a break even basis.

Lakes DHB has incorporated its share of contributions to HealthShare Ltd in the statement of comprehensive income.

a) Carrying amount of investments in joint venture	Lakes DHB Group		Lakes DHB	
	Actual	**Actual**	**Actual**	**Actual**
	2013	**2012**	**2013**	**2012**
	$000	**$000**	**$000**	**$000**
	195	38	0	0

b) Lakes DHB Group's interests in the jointly controlled operation is as follows:

	Lakes DHB Group	
	Actual	**Actual**
	2013	**2012**
	$000	**$000**
Current assets	2,500	2,009
Non - current assets	666	42
Current liabilities	2,195	1,859
Non - current liabilities	0	0
Income	7,646	4,482
Expenses	6,865	4,482
Group's interest	20%	20%

ii) Laboratory Services Rotorua

In June 2008 the parent of Spectrum Health Limited (Lakes District Health Board) received Ministerial approval to proceed with a joint venture laboratory with community laboratory provider Diagnostic Rotorua Limited.

The joint venture commenced 1 September 2008, initially for a period of 5 years with the option of the parties to negotiate a further five year period.

The joint venture is trading under the name Laboratory Services Rotorua (LSR). The joint venture partnership agreement incorporates ownership on a 50-50 basis between Spectrum Health Limited (as a 100% owned subsidiary of Lakes District Health Board) and Diagnostic Rotorua Limited.

Lakes DHB Group's participatory interest in Laboratory Services Rotorua is accounted for as a jointly controlled entity.

The principal activity of Laboratory Services Rotorua is to provide public laboratory services to the population served by Lakes DHB (excluding Taupo and Turangi).

Laboratory Services Rotorua has a balance sheet date of 30 June. It is operated on a break even basis.

Lakes DHB Group has incorporated its share of contributions to Laboratory Services Rotorua in the statement of comprehensive income.

a) Carrying amount of investments in joint venture	Lakes DHB Group		Lakes DHB	
	Actual	**Actual**	**Actual**	**Actual**
	2013	**2012**	**2013**	**2012**
	$000	**$000**	**$000**	**$000**
	980	1,434	0	0

14. INVESTMENT IN JOINT VENTURES (Continued)

b) Lakes DHB Group's interests in the jointly controlled operation is as follows:

	Lakes DHB Group	
	Actual 2013 $000	Actual 2012 $000
Current assets	1,357	2,027
Non - current assets	1,967	2,079
Current liabilities	1,364	1,239
Non - current liabilities	0	0
Income	8,652	8,358
Expenses	7,959	7,585
Group's interest	50%	50%

Joint venture commitments and contingencies

Details of any commitments and contingent liabilities arising from the group's involvement in these joint ventures are disclosed separately in notes 21 and 22.

15. CREDITORS AND OTHER PAYABLES

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Trade payables and expenses	16,482	18,409	16,385	18,334
Amounts due to related parties (note 23)	70	2	70	2
Income in advance relating to contracts with specific performance obligations	7	0	7	0
Capital charge due to the Crown	0	0	0	0
ACC Levy payable	600	801	600	801
GST, PAYE, and FBT payable	2,569	2,243	2,545	2,234
Total trade and other payables	**19,728**	**21,455**	**19,607**	**21,371**

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

16. EMPLOYEE ENTITLEMENTS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Current liabilities				
Retirement gratuities	143	138	143	138
Long service leave	89	91	89	91
Sabbatical leave	99	85	99	85
Annual leave	7,434	7,052	7,434	7,052
Sick leave	43	48	43	48
Continuing medical education (CME) leave	557	577	557	577
Continuing medical education (CME) expenses	1,383	1,275	1,383	1,275
Accrued salary and wages	2,450	2,261	2,450	2,261
Total current portion	12,198	11,527	12,198	11,527
Non - current liabilities				
Retirement gratuities	361	389	361	389
Long service leave	1,597	1,565	1,597	1,565
Sabbatical leave	657	630	657	630
Total non - current portion	2,615	2,584	2,615	2,584
Total employee entitlements	**14,813**	**14,111**	**14,813**	**14,111**

17. BORROWINGS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Current				
Finance leases	623	646	623	646
Ministry of Health Loans	6,000	0	6,000	0
Total current portion	6,623	646	6,623	646
Non current				
Finance leases	1,058	751	1,058	751
Ministry of Health Loans	43,565	45,000	43,565	45,000
Total non - current portion	44,623	45,751	44,623	45,751
Total borrowings	**51,246**	**46,397**	**51,246**	**46,397**

Security and terms

Crown sector

Lakes DHB has unsecured loans with the Ministry of Health (MOH).

Loan facility limits	Actual 2013 $000	Actual 2012 $000
Ministry of Health	49,565	49,565

The MOH liabilities are secured by a negative pledge.

Without MOH's prior written consent, Lakes DHB cannot perform the following actions:

- Create any security interest over its assets except in certain defined circumstances;
- Lend money to another person (except in the ordinary course of business and then only on commercial terms), or give a guarantee;
- Make a substantial change in the nature or scope of its business as presently conducted;
- Dispose of any of its assets except disposals made in the ordinary course of its ordinary business or disposals for full value; or
- Provide services to or accept services from a person other than for proper value and on reasonable commercial terms.

The fair value of MOH borrowings is $49.61m (2012: $45.83m). Fair value has been determined using contractual cash flows discounted using a rate based on Government bond rates at balance date ranging from 2.40% to 4.75% (2012: 2.62% to 4.75%).

The MOH loans have maturity dates ranging from 2014 - 2022. The loans will be rolled over on the maturity dates unless there is an event of review. There are no circumstances that Lakes DHB or the MOH are aware of that would trigger an event of review.

The MOH took over the loan management and lending functions previously provided by the Crown Health Financing Agency (CHFA) from 1 July 2012. Lakes DHB's current lending documents, terms and conditions, facility agreements and loans transitioned to the MOH at this date.

Working capital facility

Lakes DHB is a party to the DHB Treasury Services Agreement between Health Benefits Limited (HBL) and the participating DHB's. This agreement enables HBL to sweep DHB bank accounts and invest surplus funds on their behalf

The DHB Treasury Services Agreement provides for individual DHB's to have a credit facility with HBL, which will incur interest at on-call interest rates received by HBL plus an administrative margin. The maximum credit facility that is available to any DHB is the value of one month's Provider Arm funding, less Inter-District In-Flows, plus GST. For Lakes DHB this equates to $13.271 million.

17. BORROWINGS (Continued)

Analysis of finance leases

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Total minimum lease payments are payable				
Not later than one year	680	707	680	707
Later than one year and not later than five years	1,096	792	1,096	792
Later than five years	0	0	0	0
Total minimum lease payments	1,776	1,499	1,776	1,499
Future finance charges	(95)	(102)	(95)	(102)
Present value of minimum lease payments	1,681	1,397	1,681	1,397
Present value of minimum lease payments payable				
Not later than one year	623	646	623	646
Later than one year and not later than five years	1,058	750	1,058	750
Later than five years	0	0	0	0
Total present value of minimum lease payments	1,681	1,396	1,681	1,396
Represented by:				
Current	623	646	623	646
Non-current	1,058	751	1,058	751
Total finance leases	**1,681**	**1,397**	**1,681**	**1,397**

Description of material leasing arrangements

Lakes DHB Group has entered into finance leases for various items of plant and equipment. The net carrying amount of the leased items is shown in notes 12 and 13.

Motor Vehicle Finance leases at 30 June 2013 are with Toyota Financial Services. IT Finance Leases at 30 June 2013 are with CBA Asset Finance (NZ) Ltd.

Finance lease liabilities are effectively secured as rights to the leased asset revert to the lessor in the event of default.

The finance leases can be renewed at Lakes DHB Group's option with rents set by reference to current market rates for items of equivalent age and condition. Lakes DHB Group does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed by Lakes DHB Group on any of the finance leasing arrangements.

18. PROVISIONS

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Current provisions are represented by:				
ACC Partnership Programme	35	43	35	43
Total provisions	**35**	**43**	**35**	**43**

18. PROVISIONS (Continued)

Movements for each class of provision are as follows:

Lakes DHB and Group	ACC Partnership Programme	
	Actual 2013 $000	Actual 2012 $000
Balance at 1 July	43	8
Additional provisions made	35	43
Amounts used	(43)	(8)
Unused amounts reversed	0	0
Balance at 30 June	**35**	**43**

ACC Partnership Programme

Risk Margin

Lakes DHB has assessed a risk margin of 10% (2012: 10%) to allow for the inherent uncertainty in the central estimate of the claims liability.

The risk margin for Lakes DHB has been determined taking into consideration:

- that Lakes DHB has been a member of the scheme since 2004/05, therefore has supportable evidence of past claims history, costs and trends; and
- characteristics of the industry.

The risk margin is intended to achieve a 91% probability of the liability being adequate to cover the cost of injuries and illnesses that have occurred up to balance date.

Assumptions

The key assumptions used in determining the outstanding claims liability are:

- the average assumed rate of inflation of 3.0% for 30 June 2013 (2012: 3.0%) to reflect cost of living adjustments.
- claims incurred but not reported (10% of annual claim costs).
- claims incurred but not enough reported (10% of unpaid reported claims).

The value of the liability is not material for Lakes DHB's financial statements. Any changes in assumptions will not have a material impact on the financial statements.

The weighted average term of claims included in the outstanding claims liability is calculated as 48 days.

Objectives for managing risks

Lakes DHB manages its exposure from the programme by promoting a safe and healthy working environment by:

- implementing and monitoring health and safety working policies;
- induction training on health and safety;
- actively managing injuries to ensure employees return to work as soon as practical;
- recording and monitoring work place injuries and near misses to identify risk areas and implementing mitigating actions; and
- identification of work place hazards and implementation of appropriate safety procedures.

Insurance risk

Lakes DHB operates the full self cover plan. Under this plan Lakes DHB assumes full financial and injury management responsibility for:

- work related injuries and illnesses for a selected management period; and
- continuing financial liability for the life of the claim to a pre-selected limit.

18. PROVISIONS (Continued)

Lakes DHB is responsible for managing claims for a period of up to 60 months since the lodgement date. At the end of 60 months, if an injured employee is still receiving entitlements, the financial and management responsibility of the claim will be transferred to ACC for a price calculated on an actuarial valuation basis.

Lakes DHB has chosen a stop loss limit of 190% being the risk for the cover period between 1 April 2007 and 31 March 2013. The stop loss limit means Lakes DHB will only carry the total cost of claims of up to $606,913 (2012: $736,822) for the cover period between 1 April 2012 to 31 March 2013.

Lakes DHB is not exposed to any significant concentrations of insurance risk as work related injuries are generally the result of an isolated event to an individual employee.

Lakes DHB is not required to have a credit rating.

19. EQUITY

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Crown equity				
Balance at 1 July	21,596	20,989	21,591	20,984
Contributions from the Crown	0	908	0	908
Repayments to the Crown	(301)	(301)	(301)	(301)
Balance at 30 June	21,295	21,596	21,290	21,591
Other reserves				
Asset revaluation reserves				
Balance at 1 July	46,906	28,679	46,906	28,679
Revaluation gains/(losses)				
- Land	0	30	0	30
- Buildings	0	19,028	0	19,028
Transfer of asset revaluation reserve to retained earnings on disposal of property				
- Land	0	0	0	0
- Buildings	0	(831)	0	(831)
Balance at 30 June	46,906	46,906	46,906	46,906
Represented by:				
Total Land	3,724	3,724	3,724	3,724
Total Buildings	43,182	43,182	43,182	43,182
	46,906	46,906	46,906	46,906
Cash flow hedge reserve				
Balance at 1 July	(2,873)	(1,434)	(2,873)	(1,434)
Fair value gains/(losses) in the year	1,053	(1,439)	1,053	(1,439)
Reclassification to the surplus or deficit	0	0	0	0
Balance at 30 June	(1,820)	(2,873)	(1,820)	(2,873)
Total other reserves	45,086	44,033	45,086	44,033

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

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

19. EQUITY (Continued)

Retained earnings

Balance at 1 July	17,143	19,214	15,401	17,895
Surplus(deficit) for year	(1,799)	(2,902)	(2,420)	(3,325)
Transfer to retained earnings of revaluation reserve on disposal of property	0	831	0	831
Balance at 30 June	15,344	17,143	12,981	15,401

Trust Funds

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Balance at 1 July	958	1,138	0	0
Transfer to retained earnings in respect of:				
Interest received	35	36	0	0
Donations and funds received	29	7	0	0
Transfer to retained earnings in respect of:				
Funds spent	(45)	(223)	0	0
Balance at 30 June	977	958	0	0
Total equity at 30 June	**82,702**	**83,730**	**79,357**	**81,025**

The Lakes District Health Board Charitable Trust is a separate legal entity. Lakes DHB, however, exercises majority control over the trust, thereby rendering it an 'in substance subsidiary'. The balance date of the Trust is 30 June. The results of the Trust for the 12 months to 30 June 2013 have been consolidated into the results of Lakes DHB.

The Trust assets and funds are made up of assets donated or bequeathed for a specific purpose. The use of these assets must comply with the specific terms of the sources from which the funds were derived. The revenue and expenditure in respect of these funds is included in the statement of comprehensive income. An amount equal to the expenditure is transferred from the trust fund component of equity to retained earnings. An amount equal to the revenue is transferred from retained earnings to trust funds.

All trust funds are held in bank accounts that are separate from Lakes DHB Group's normal banking facilities. Refer Note 8 for Trust cash and cash equivalents on hand 30 June 2013.

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

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Surplus/(deficit) after tax	(1,780)	(3,082)	(2,420)	(3,325)
Add/(less) non-cash items:				
Depreciation and amortisation expense	9,646	9,664	9,646	9,664
Share of associate and joint venturer (surplus)/deficit	258	(260)	0	0
(Gains)/losses in fair value of investment property	0	0	0	0
	8,124	6,322	7,226	6,339
Add/(less) items classified as investing or financing activity:				
Net loss(gain) on disposal of property, plant and equipment	47	306	47	306
	47	306	47	306
Add/(Less) movements in working capital items:				
(Increase)/Decrease in debtors and other receivables	(446)	2,531	(356)	2,350
(Increase)/Decrease in inventories	(64)	(91)	(64)	(91)
Increase/(Decrease) in creditors and other payables	(2,694)	(4,000)	(2,731)	(4,019)
Increase/(Decrease) in employee entitlements	702	350	702	350
Increase/(Decrease) in provisions	(8)	34	(8)	35
	(2,510)	(1,176)	(2,457)	(1,375)
Net cash inflow/(outflow) from operating activities	**5,661**	**5,452**	**4,816**	**5,270**

21. CAPITAL COMMITMENTS AND OPERATING LEASES

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Capital commitments				
Property, plant and equipment	5,538	6,174	5,538	6,174
Intangible assets	1,379	153	1,379	153
Total capital commitments	**6,917**	**6,327**	**6,917**	**6,327**

There are no capital commitments in relation to Lakes DHB Group's interest in HealthShare Ltd or Laboratory Services Rotorua joint ventures.

Operating leases as lessee

Lakes DHB Group leases buildings, vehicles, and office equipment in the normal course of its business. These non-cancellable leases typically range from 1 to 5 years (for buildings) and 1 to 5 years (for vehicles, and office equipment). The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Not later than one year	314	4,944	285	4,889
Later than one year and not later than five years	84	4,141	0	4,118
Later than five years	0	0	0	0
Total non-cancellable operating leases	**398**	**9,085**	**285**	**9,007**

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $Nil (2012: $Nil).

Leases can be renewed at Lakes DHB Group's option, with rents set by reference to current market rates for items of equivalent age and condition. In the case of leased buildings, lease payments are increased annually to reflect market rentals. None of the leases includes contingent rentals.

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

During the year ended 30 June 2013, $777,830 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2012: $808,879).

21. CAPITAL COMMITMENTS AND OPERATING LEASES (Continued)

Operating leases as lessor

Lakes DHB Group licences the use of its Rotorua and Taupo Laboratories to third parties. The substance of these licences take the form of operating leases arrangements. These leases have non-cancellable terms of between four and five years.

The Rotorua Laboratory is licensed to Laboratory Services Rotorua as part of the joint venture arrangement between Spectrum Health Ltd and Diagnostic Rotorua Ltd (note 15). Laboratory Services Rotorua pays a monthly licence fee to Lakes DHB to operate the Rotorua Laboratory situated at Lakes DHB. The licence is due to expire 31 August 2013.

The Taupo Laboratory is licensed to Southern Community Laboratories Ltd. Southern Community Laboratories Ltd pays a monthly licence fee to Lakes DHB to operate the Taupo laboratory situated at Lakes DHB. The licence is due to expire 31 June 2017.

The future minimum lease payments to be collected under non-cancellable leases are as follows:

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Not later than one year	80	169	106	325
Later than one year and not later than five years	162	26	162	52
Later than five years	0	0	0	0
Total non-cancellable operating leases as lessor	**242**	**195**	**268**	**377**

No contingent rents have been recognised in the statement of comprehensive income during this period.

22. CONTINGENCIES

Contingent liabilities

	Lakes DHB Group		Lakes DHB	
	Actual 2013 $000	Actual 2012 $000	Actual 2013 $000	Actual 2012 $000
Legal proceedings - non employment	0	10	0	10
Legal proceedings - employment	48	150	48	150
Total contingent liabilities	**48**	**160**	**48**	**160**

Legal proceedings - non employment

Lakes DHB Group is a party to a number of non-employment legal proceedings. These proceedings have not been individually quantified. An estimated contingent liability for these legal proceedings (as a collective) is $Nil (2012: $10,000).

Legal proceedings - employment

Lakes DHB Group has been notified of 2 potential employment claims as at 30 June 2013 (2012: 5). The claimants are seeking $48,000 in damages (2012: $150,000). It remains uncertain as to the likelihood of the outcome of these employment claims.

Other unquantified claims
Lakes DHB is a participating employer in the National Provident DBP Contributors scheme ("the Scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, Lakes DHB could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, Lakes DHB could be responsible for an increased share of the deficit.

As at 31 March 2012, the Scheme had a past service surplus of $19.833 million (8.3% of the liabilities). (2011: surplus of $37.582 million (16.4% of the liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The actuarial valuation for the scheme as at 31 March 2013 had not been made available at 30 June 2013.

The Actuary to the Scheme has recommended previously that the employer contributions were suspended with effect from 1 April 2011. In the latest report, the Actuary recommended employer contributions remain suspended.

Lakes DHB's construction contract with Mainzeal Construction and Property Ltd (in Receivership and Liquidation)
Mainzeal Construction and Property Ltd went into receivership on 6 February 2013. Not long after, Lakes DHB commenced negotiations with Mainzeal's receivers (PwC) in order to settle all matters under the contract. Negotiations have progressed slowly since that time with most focus being on determining the total amount of costs required to complete the construction project, and an assessment of the commercial matters outstanding under the contract (for instance, the most recent progress payment claim by Mainzeal, retentions and liquidated damages). At this stage it is not possible to quantify whether or not Lakes DHB has any contingent liability, and if so, what amount it could be.

Joint venture contingent liabilities
There are no contingent liabilities associated with HealthShare Ltd, or Laboratory Services Rotorua, or other activities of the Group (2012: $Nil).

Share of associates' contingent liabilities
Lakes DHB's share of the contingent liabilities of Lakes Ophthalmic Services Ltd, incurred jointly with other investors, is $Nil (2012: $Nil).

Liabilities of associates for which the Group is severally liable
Those contingent liabilities that arise because Lakes DHB is severally liable for all or part of the liabilities of the associate is $Nil (2012: $Nil).

Contingent assets
Lakes DHB Group has no contingent assets (2012: $Nil).

23. RELATED PARTY TRANSACTIONS

Identity of related parties

Lakes DHB Group has a related party relationship with its subsidiaries, associate, joint venture and with its board members, directors and executive officers.

Related party transactions with subsidiaries, associates or joint ventures

	Actual 2013 $000	Actual 2012 $000
Spectrum Health Ltd (Subsidiary)		
Services provided by Lakes DHB	467	414
Accounts payable to Lakes DHB	134	42
The Lakes District Health Board Trust (Subsidiary)		
Accounts payable to Lakes DHB	30	209
Lakes DHB Donations to Trust	0	1
Trust Donations to Lakes DHB	185	0
Trust Donations to Lakes DHB (assets)	12	0
Lakes Ophthalmic Services Ltd (Associate)		
Services provided to Lakes DHB	2,491	2,510
Accounts receivable from Lakes DHB	67	2
Services provided by Lakes DHB	378	313
Accounts payable to Lakes DHB	26	36
HealthShare Ltd (Joint Venture)		
Services provided to Lakes DHB	943	299
Accounts receivable from Lakes DHB	181	92
Laboratory Services Rotorua (Spectrum Joint Venture)		
Services provided to Lakes DHB	8,323	8,031
Accounts receivable from Lakes DHB	3	0
Services provided by Lakes DHB	478	481
Accounts payable to Lakes DHB	47	58

During 2011/12 Lakes District Health Board provided a working capital loan of $500,000 to LSR, which has subsequently been repaid by 30 June 2012. Interest associated with this loan of $10,075 was paid to Lakes District Health Board by LSR. There were no loans during 2012/2013.

During 2012/13 Spectrum Health Limited received $800,000 in drawings from its partnership current account with LSR (2012:$100,000).

No provision has been raised, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2012: $Nil).

Ownership

Lakes DHB is the ultimate parent of the group and controls two entities, being Spectrum Health Ltd, and The Lakes District Health Board Trust. It also has significant interest over Lakes Ophthalmic Services Ltd as an associate and HealthShare Ltd as a venturer. In addition Lakes DHB has significant interest as a venturer over Laboratory Services Rotorua, a jointly controlled partnership between its subsidiary Spectrum Health Ltd and Diagnostic Rotorua Ltd (a private company).

Significant transactions with government-related entities

Lakes DHB is a crown entity in terms of the Crown Entities Act 2004, and is wholly owned entity of the Crown. The Government significantly influences the role of the DHB as well as being its major source of revenue.

Lakes DHB received $289 million (2012: $280 million) from the Ministry of Health to provide health services to the Lakes area in the year ended 30 June 2013.

The amount outstanding at year end was $4.133 million (2012: $4.562 million).

23. RELATED PARTY TRANSACTIONS (Continued)

Lakes DHB pays a capital charge monthly to 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 2013 was 8.0% (2012: 8.0%). Based on its financial result, Lakes DHB is required to pay $6,544,960 for the period ended 30 June 2013 (2012: $5,099,572). Of this amount $0 (2012: $0) remains unpaid at balance date.

Collectively, but not individually, significant, transactions with government-related entities
In conducting its activities, Lakes DHB is required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. Lakes DHB is exempt from paying income tax.

Lakes DHB also purchases goods and services from numerous entities controlled, significantly influenced, or jointly controlled by the Crown. These purchases included the purchase of electricity from Meridian Power, blood products from New Zealand Blood, air travel from Air New Zealand, and postal services from New Zealand Post.

Subsidiaries
Lakes DHB has a 100% shareholding in Spectrum Health Ltd. Spectrum Health Ltd has a balance sheet date of 30 June and was incorporated in New Zealand.

Lakes DHB has four minor donations of $30,488 outstanding from The Lakes District Health Board Trust for the year ending 30 June (2012: $209,373). Lakes DHB received $185,289 in donations from The Lakes District Health Board Trust for the year ending 30 June 2013 (2012: $Nil) and donated assets of $12,255 (2012: $Nil). The Lakes District Health Board Trust received $Nil in donations from Lakes DHB (2012: $1,463).

Transactions with key management personnel
Board members
During the financial year the DHB funded or made payments to entities in which Board members had governance, shareholder or other interests. Board members do not participate in decisions directly related to funding of their related entities.

23. RELATED PARTY TRANSACTIONS (Continued)

Board Member	Organisation	Relationship	Total Payments 30 June	Reference
Deryck Shaw	The NZ Maori Arts and Crafts Institute	Director	$500	(i)
Tupara Morrison	The NZ Maori Arts and Crafts Institute	Director	(2012: $Nil)	
Ailsa Gathergood	Lake Taupo Hospice Trust	Trustee	$0 (2012: $301,267)	(ii)
Ailsa Gathergood	Waiora Community Trust (Taupo) Inc	Trustee	$284 (2012: $Nil)	(iii)
Tupara Morrison	Korowai Aroha Trust	Trustee	$Nil (2012: $1,398,090)	(iv)
Tupara Morrison	Laboratory Services Rotorua	Director	$8,323,000 (2012: $8,030,753)	(v)
Danny Loughlin	Lakes Ophthalmic Services Ltd	Director	$2,490,958 (2012: $2,509,753)	(vi)
Julie Calnan	Rotovegas Youth Health	Trustee	$818,615 (2012: $695,614)	(vii)

Transaction
(i) For selected purchases from retail shop
(ii) For provision of palliative assessment and care and intensive end of life services
(iii) For provision of community services
(iv) For provision of health care development programmes
(v) For provision of community laboratory services
(vi) For provision of ophthalmology services
(vii) For provision of community health services

Executive team members
Tupara Morrison (a Lakes DHB board member) received honorarium payments for representing Lakes DHB as a director of the joint venture entity Laboratory Services Rotorua. These payments totalled $Nil (2012: $2,000).

Danny Loughlin (a Lakes DHB board member) received honorarium payments for representing Lakes DHB as a director of the associate entity Lakes Ophthalmic Services Ltd. These payments totalled $1,500 (2012: $1,250).

There are close family members of executive team members employed by Lakes DHB. The terms and conditions of these arrangements are no more favourable than Lakes DHB would have adopted if there were no relationship to executive team members.

Key management personnel compensation

	Actual 2013 $000	Actual 2012 $000
Salaries and other short term employee benefits	2,097	2,266
Post employment benefits	37	75
Other long term benefits	14	21
Termination benefits	0	51
Total key management personnel compensation	**2,148**	**2,413**

Key management personnel include board members, chief executive, and executive team members.

24. REMUNERATION

Board remuneration

The following people held office as Board members during the twelve months ending June 2013 and the amounts of remuneration were set by the Minister of Health.

	Board Fees 2013 $000	Board Fees 2012 $000
Deryck Shaw - Chair	45	44
Lyall Thurston - Deputy Chair	27	28
Mary Burdon	22	22
Julie Calnan	22	22
Ailsa Gathergood	22	20
Danny Loughlin	23	23
Ian McLean	24	24
Tupara Morrison	9	22
Merepeka Raukawa-Tait	21	22
Rob Vigor- Brown	23	22
Maureen Waaka	21	21
Total board remuneration	**259**	**270**

No remuneration was paid to the directors of the subsidiary company, Spectrum Health Ltd. No Board members received compensation or other benefits in relation to cessation (2012: Nil).

Non - board committee remuneration

The following people were non-board committee members during the twelve months ending 30 June 2013.

	Committee Fees 2013 $000	Committee Fees 2012 $000
Hospital Advisory Committee		
Rauroha Clarke	1.0	2.2
Barabra Lovie	2.2	2.2
Tongawhiti Manuirirangi	2.3	1.8
Te Rau Morgan *	1.0	0.0
Anahera Pedersen	1.8	1.8
	8.3	8.0
Community and Public Health Advisory Committee		
Lawrence Croxson	1.8	1.8
Ailsa Gathergood **	0.0	0.2
Charles Eparaima	1.5	1.8
Edna Issacs	1.8	2.0
Katerina Pihera	0.2	1.2
Sue Westbrook	0.5	0.0
	5.8	7.0
Disability Support Advisory Committee		
Colin Cockburn	1.7	2.0
Charles Eparaima	1.3	0.5
Ailsa Gathergood **	0.0	0.3
Edna Issacs	0.2	0.0
Mere Maniapoto	1.5	1.5
Peter O'Flaherty	1.8	1.8
Margaret Parker	0.0	0.2
Tahae Tait **	0.0	0.2
Sue Westbrook	0.5	0.3
	6.9	6.8
Total non - board committee remuneration	**21.0**	**21.8**

* Commenced term during 12/13.
**Completed term during 11/12.

Further details on board and committee fees can be found in the cabinet office circular CO (09) 5. Fees framework for members of statutory and other bodies appointed by the Crown.

24. REMUNERATION (Continued)

Employee remuneration

Salary range	2013 Number of staff clinical and other staff	2012 Number of staff clinical and other staff
$100,001 - $110.000	20	15
$110,001 - $120,000	11	19
$120.001 - $130.000	9	8
$130,001 - $140,000	5	11
$140,001 - $150,000	5	5
$150.001 - $160,000	6	6
$160,001 - $170,000	1	4
$170,001 - $180,000	6	9
$180,001 - $190,000	2	2
$190,001 - $200,000	5	1
$200,001 - $210,000	4	1
$210,001 - $220,000	3	2
$220,001 - $230,000	3	6
$230,001 - $240,000	3	3
$240,001 - $250,000	7	1
$250,001 - $260,000	4	8
$260,001 - $270,000	5	2
$270,001 - $280,000	4	5
$280,001 - $290,000	3	6
$290,001 - $300,000	5	3
$300,001 - $310,000	7	4
$310,001 - $320,000	4	7
$320,001 - $330,000	2	0
$330,001 - $340,000	1	1
$340,001 - $350,000	0	0
$350,001 - $360,000	1	0
$360,001 - $370,000	1	0
$370,001 - $380,000	1	3
$380,001 - $390,000	1	0
$390,001 - $400,000	0	0
$400,001 - $410,000	0	0
$410,001 - $420,000	0	0
$420,001 - $430,000	0	0
$430,001 - $440,000	0	1

Of the 129 employees shown above, 107 are medical or dental employees.

If the remuneration of part time employees was grossed up to an FTE (full time equivalent) basis, the total number of employees with FTE salaries of $100,000 or more would be 131 compared with the actual total number of 129.

25. SEVERANCE PAYMENTS

During the year, Lakes DHB made the following severance payments to former employees in respect to employment with the Board.

Number of employees	Amount $
1	1,779
1	2,057
1	2,319
1	3,000
1	4,003
1	5,842
1	6,825
1	9,581
1	9,642
1	12,548
1	16,015
1	22,067
1	50,500
1	94,628

26. DIRECTORS' AND OFFICER'S INSURANCE

Insurance premiums were paid in respect of board members' and certain officer's liability insurance. The policies do not specify a premium for each individual.

The policy provides cover against costs and expenses involved in defending legal actions and any resulting payments arising from a liability to people or organisations (other than the DHB) in their position as board members or officers.

27. EVENTS AFTER THE BALANCE DATE

No significant events have occurred since balance date.

28. FINANCIAL INSTRUMENT CATEGORIES

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

		Lakes DHB Group		Lakes DHB	
		Actual	Actual	Actual	Actual
		2013	2012	2013	2012
Note		$000	$000	$000	$000
	FINANCIAL ASSETS				
	Loans and receivables				
8	Cash and cash equivalents	9,915	18,379	7,606	16,915
9	Debtors and other receivables	9,205	8,759	9,282	8,926
	Total loans and receivables	**19,120**	**27,138**	**16,888**	**25,841**
	Held to maturity	**0**	**0**	**0**	**0**
	Fair value through other comprehensive income	**0**	**0**	**0**	**0**
	FINANCIAL LIABILITIES				
	Financial liabilities at amortised costs				
15	Creditors and other payables	19,728	21,455	19,607	21,371
	Borrowings:				
8	Bank overdraft	0	0	0	0
17	Finance lease liabilities	1,681	1,397	1,681	1,397
17	MOH Loans	49,565	45,000	49,565	45,000
	Total financial liabilities at amortised costs	**70,974**	**67,852**	**70,853**	**67,768**

29. FAIR VALUE HIERARCHY DISCLOSURES

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

Lakes DHB and Group

	Quoted market Price $000	Observable inputs $000	Significant non-observable inputs $000	Total $000
2013				
Financial Assets	0	0	0	0
Financial Liabilities				
Derivatives	0	1,820	0	1,820
2012				
Financial Assets	0	0	0	0
Financial Liabilities				
Derivatives	0	2,873	0	2,873

There were no transfers between the different levels of the fair value hierarchy.

30. FINANCIAL INSTRUMENT RISKS

Lakes DHB's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk Lakes DHB has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions which are speculative in nature to be entered into.

Market risk

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

Fair value interest rate risk
Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes Lakes DHB to fair value interest rate risk. Lakes DHB's treasury policy is to maintain approximately 60% of its borrowings in fixed rate instruments.

Cash flow interest rate risk
Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose Lakes DHB to cash flow interest rate risk.

Lakes DHB's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements.

Lakes DHB's borrowing policy requires a spread of interest rate repricing dates on borrowings to limit the exposure to short term interest rate movements.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Lakes DHB is exposed to foreign currency risk on minor purchases for goods and services which require it to enter into transactions in foreign currencies. Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. As a result of these activities, limited exposure to currency risk arises.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Lakes DHB, causing the DHB to incur a loss.

Due to the timing of its cash inflows and outflows, Lakes DHB invests surplus cash into term deposits with high - quality financial institutions and has a treasury policy that limits the amount of credit exposure to any one financial institution. The DHB only invests funds with registered banks with specified Standard and Poor's credit ratings.

Lakes DHB's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 8), and net debtors (note 9). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Concentrations of credit risk from debtors are high due to the reliance on the Ministry of Health for 98% of Lakes DHB's revenue. It is assessed to be a low risk and high - quality entity due to its nature as the government funded purchaser of health and disability support services.

30. FINANCIAL INSTRUMENT RISKS (Continued)

At 30 June there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position.

Liquidity risk

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

In meeting its liquidity requirements, Lakes DHB maintains a target level of investments that must mature in the next 12 months.

Lakes DHB manages its borrowings in accordance with its funding and treasury policies. These policies have been adopted as part of the Lakes DHB's Annual Plan.

Lakes DHB has a credit facility with Health Benefits Limited (HBL) which allows the DHB to draw down the value of one month's Provider Arm funding, less Inter-District In-Flows, plus GST. For Lakes DHB this equates a maximum of $13.271 million. There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities, excluding derivatives
The table below summarises Lakes DHB Group's financial liabilities into the relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate at the balance sheet date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year $000	1 - 2 years $000	2 - 5 years $000	5 + years $000
2013				
Creditors and other payables (note 15)	19,728	0	0	0
Bank overdraft (note 8)	0	0	0	0
Finance lease liabilities (note 17)	623	418	640	0
MOH loans (note 17)	6,000	6,000	10,000	27,565
2012				
Creditors and other payables (note 15)	21,455	0	0	0
Bank overdraft (note 8)	0	0	0	0
Finance lease liabilities (note 17)	646	412	339	0
MOH loans (note 17)	0	6,000	10,000	29,000

Contractual maturity analysis of derivative financial liabilities
The table below analyses Lakes DHB Group's derivative financial instrument liabilities into those that will be settled on a net basis and those that will be settled on a gross basis in relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount $000	Asset carrying amount $000	Contractual Cash flows NZ$ $000	Less then 1 year NZ$ $000	2 -5 years NZ$ $000	5+ years NZ$ $000
2013						
Gross settled derivatives	0	0	0	0	0	0
Net settled derivatives	1,820	0	1,820	720	1,021	79
2012						
Gross settled derivatives	0	0	0	0	0	0
Net settled derivatives	2,873	0	2,873	842	1,730	301

30. FINANCIAL INSTRUMENT RISKS (Continued)

Contractual maturity analysis of financial assets

The table below analyses Lakes DHB Group's financial assets into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year $000	1 - 2 years $000	2 - 5 years $000
2013			
Cash and cash equivalents (note 8)	9,915	0	0
Debtors and other receivables (note 9)	9,205	0	0
2012			
Cash and cash equivalents (note 8)	18,379	0	0
Debtors and other receivables (note 9)	8,759	0	0

Sensitivity analysis

Interest rate risk

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

Cash and cash equivalents include deposits at call totalling $9,115,000 (2012: $3,379,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of $91,150 (2012: $30,379).

MOH loans include borrowings with a fair value of $49,613,638 (2012: $45,838,182) which are at fixed rates. A movement of an interest rates of plus or minus 1.0% has an effect on interest expense of $63,165 (2012: $49,726).

Derivatives financial liabilities hedge accounted includes interest rate swap fair value hedges with a fair value totalling $1,819,963 (2012: $2,872,951). A movement in interest rates of plus or minus 1.0% has an impact of $(886,534/($2,807,493) (2012: $(1,685,871/($4,139,495) on equity through the cash flow hedge reserve. The sensitivity for interest rates has been calculated using a derivative valuation model using hypothetical forward rates.

31. CAPITAL MANAGEMENT

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

Lakes DHB is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

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

Trust and bequest reserves are set up where Lakes DHB Group has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

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

32. SUMMARY OF REVENUES AND EXPENSES BY OUTPUT CLASS

		Lakes DHB Group Budget 2013 $000	Lakes DHB Group Actual 2013 $000
Output Class Revenue			
	Intensive Assessment and Treatment	177,463	179,032
	Early Detection and Management	88,995	89,782
	Rehabilitation and Support	38,830	39,173
	Prevention	8,104	8,176
	Total Revenue	**313,392**	**316,162**
Output class Expenses			
	Intensive Assessment and Treatment	176,954	179,047
	Early Detection and Management	91,988	93,096
	Rehabilitation and Support	37,996	38,455
	Prevention	7,256	7,344
	Total Expenses	**314,194**	**317,942**
Surplus/(deficit) by Output class			
	Intensive Assessment and Treatment	508	(15)
	Early Detection and Management	(2,992)	(3,315)
	Support and Rehabilitation	834	718
	Prevention	848	832
	Net Surplus/(Deficit)	**(802)**	**(1,780)**

Definitions of the four output classes:

Intensive Assessment and Treatment comprise services that are delivered by hospitals to enable co-location of clinical expertise and specialised equipment. These services are generally complex and provided by health care professionals that work closely together. They include: outpatient, district nursing, day services, diagnostic, therapeutic, and rehabilitative services, Inpatient services, Emergency Department services.

Early Detection and Management comprise services that are delivered by a range of health and allied health professionals in various private, not-for-profit and government service settings. Include general practice, community and Maori health services, pharmacist services, community pharmaceuticals (the schedule) and child and adolescent oral health and dental services.

Prevention include health promotion to ensure that illness is prevented and unequal outcomes are reduced; statutorily mandated health protection services to protect the public from toxic and environmental risk and communicable diseases; and, individual health protections services such as immunisation and screening services.

Support and Rehabilitation comprise services that are delivered following a 'needs assessment' process and coordination input by NASC services for a range of services including palliative care services, home-based support services and residential care services.

33. EXPLANATION OF MAJOR VARIATIONS FROM STATEMENT OF INTENT

Statement of comprehensive income

The Lakes DHB Group recorded a deficit of $1.780 million compared with a budgeted deficit of $0.802 million. The major reasons for the negative variance between actual and budgeted result of $1,294 million was due to:

	Variance $000
- higher actual costs for medical employee and locums of 2.99 million.	(2,999)
- higher IDF outflows than agreed of 1.84 million.	(1,843)
- lower actual costs for community pharmaceuticals $2.41 million.	2,419
- numerous other favourable variances such as IDF inflows, lower building depreciation, capital charge, and donations	1,445
Total variance	(978)

Statement of financial position

- Equity - The variance relates to a worse than planned result of ($1.780 million) vs. budget ($0.802 million).
- Current assets - higher than budgeted cash of $9.7 million held on short term deposit due to delay in capital expenditure.
- Non-current assets - higher than budgeted Property plant and equipment of $19 million due to valuation. Lower than budgeted Property plant and equipment of $6 million due to delays in capital expenditure. Lower software than budgeted by $3 million due to delays in capital expenditure programmes.
- Current liabilities - Borrowings were higher than budget by $6 million with MOH loans being classified as current liabilities, and budgeted as non-current liabilities. Creditors and payable were higher than budgeted by $2 million, mainly due to accruals.
- Non current liabilities - Borrowings with MOH were lower than budgeted by $6 million due to being classified as current liabilities, and budgeted as non-current liabilities.

Appendix One – Committee Memberships

Iwi Governance Body Membership

Te Roopu Hauora o Te Arawa Members	Te Nohanga Kotahitanga o Tuwharetoa Members
Aroha Morgan (Chair)	Emily Rameka (Chair)
Ngarepo Eparaima (Deputy Chair)	Ned Wikaira (Deputy Chair)
Beatrice Yates	Anah Pedersen
Kathy Porter	Arana Taumata
Lilian Emery	Edna Isaacs
Liz McDonald	Gaile Ngatai
Mitai Rolleston (koeke)	Jorian Rameka (Administrator)
Peri Marks	Matarena Stewart
Rauroha Clarke (koeke)	Mere Maniapoto
Stephen Te Moni	Olga Rameka
Tahae Tait	Peehi Wall (Kuia)
	Raukura Ropiha
	Sonny Kidwell
	Tuatea Smallman

Lakes DHB Board Members

Board Members	Meetings Attended
Deryck Shaw, Chair	11/11
Lyall Thurston, Deputy Chair	10/11
Ailsa Gathergood	11/11
Danny Loughlin	10/11
Ian McLean	11/11
Julie Calnan	11/11
Mary Burdon	10/11
Maureen Waaka	10/11
Merepeka Raukawa-Tait	11/11
Rob Vigor-Brown	11/11
Tupara Morrison – (Leave of Absence July 2012 meeting. Resigned and final meeting 16.11.2012)	03/05

CPHAC Committee Membership

Committee Members	Meetings Attended
Lyall Thurston : Chair	07/07
Ailsa Gathergood, Board member	07/07
Deryck Shaw, Board Chair, Ex-officio	07/07
Julie Calnan, Board member	06/07
Mary Burdon, Board member	07/07
Maureen Waaka : Deputy Chair	07/07
Edna Isaacs, TNKOT iwi representative	
Janet Hanvey : Ex-officio, Toi Te Ora Public Health	
Dr Jim Miller/Dr Phil Shoemack – Ex-officio	
Lawrie Croxson, community representative	
Maree Munro : Ex-officio, Midlands Health Network	
Ngarepo Eparaima, community representative	
Pollyanne Taare : Ex-officio, PHO representative – new appointment 25 May 2012	
Sue Westbrook, TRHOTA iwi representative	

DSAC Committee Membership

Committee Member	Meetings Attended
Lyall Thurston : Chair	07/07
Ailsa Gathergood, Board member	07/07
Deryck Shaw, Board Chair – Ex officio	07/07
Maureen Waaka, Deputy Chair	06/07
Merepeka Raukawa-Tait, Board member	05/07
Rob Vigor-Brown, Board member	07/07
Colin Cockburn, community representative	
Margaret Parker, community representative	
Mere Maniapoto, TNKOT representative	
Ngarepo Eparaima, TRHOTA Representative	
Peter O'Flaherty, community representative	
Renee Delamere, Ex-officio Support Net representative	
Sue Westbrook, TRHOTA alternative representative	

HAC Committee Membership

Committee Members	Meetings Attended
Ian McLean, Chair	09/10
Danny Loughlin, Board member	09/10
Deryck Shaw, Board Chair – Ex officio	10/10
Julie Calnan, Board member	09/10
Mary Burdon, Deputy Chair following T Morrison resignation	08/10
Tupara Morrison, Deputy Chair– (Leave of Absence July 2012 meeting. Resigned Nov 2012)	02/04
Ana Pedersen, TNKOT representative for Mangakino	
Aroha Morgan, TRHOTA representative	
Barbara Lovie, community representative	
Warwick Manuirirangi, community representative	

FAC Committee Membership

Committee Members	Meetings Attended
Tupara Morrison, Chair – (Resigned November 2012))	2 / 4
Ian McLean, Chair	10 / 11
Danny Loughlin, Deputy Chair	10 / 11
Deryck Shaw (Ex-Officio)	11 / 11
Merepeka Raukawa-Tait	9 / 11
Rob Vigor-Brown	11 / 11

Research and Ethics Committee Membership

Committee Members
Barry Smith (Population Health Analyst, Lakes DHB), chair
Suzanne Gower, (Private Health Consultant), deputy chair, community representative
Jennifer Anastasi (Clinical Manager, Rotorua General Practitioners Group), primary health representative
Ulrike Buehner (Consultant Anaesthetist), medical representative
Kristina Maconaghie community representative, Taupo
Jodie Malone, community representative
Bernie Solomon, CNE Mental Health
Kharen Ortega, CNE Orthopaedic Unit
Sonia Rapana, Associate Director Nursing Primary Health Care/ Community

Clinical Governance

Membership	
Martin Thomas	Acting Chief Medical Director, Chair of Clinical Governance Committee
Gary Lees	Director of Nursing and Midwifery, Chair of Clinical Governance Committee
Jo Scott	Personal Assistant CMO & DonM, Secretariat to Committee
Dale Oliff	General Manager Clinical Services
Hannes Schoeman	General Manager, Human Resources
Lesley Yule	Quality and Risk Manager
Sue Wilkie	Communications Officer
Eugene Berryman-Kemp	Pou Whakarite Maori Health
Rick Thompson	Clinical Director Mental Health
Gerrie Snyman	Clinical Director Surgical Services
Stephen Bradley	Clinical Director Woman, Child and Family
Peter Freeman	Clinical Director Emergency Department
Paul Malpass	Clinical Director Taupo
Jane Chittenden	Service Manager Medical
Maureen Emery	Service Manager Mental Health
Greg Vandergoot	Service Manager Surgical Services
Roger Lysaght	Service Manager Ambulatory
Donna Mayes	Service Manager Woman, Child and Family
Jenny Martelli	Service Manager Medical Management Unit/Hospital Support
Julie Eilers	Service Manager Taupo Hospital, Dental and District Nursing Service
Michael O'Connell	Clinical Nurse Director Mental Health
Jane James	Clinical Nurse Director Surgical Services
Jenny Stratton	Clinical Nurse Director Taupo Hospital
Jane James	Clinical Nurse Director Medical
Christine Payne	Clinical Nurse Director - WCF, Ambulatory, Medical Management Unit
Ann McKellar	Allied Health Professional Advisors Group Representative
Alex Wheatley	Chief Information Officer
Alan Mountfort	Finance Manager / CFO
Elizabeth Andersen	Decision Support Unit Manager
Wendy Bunker	Programme Manager
Joanne Hartigan	Laboratory Manager
Ray Bloomfield	Chaplain
Denise Aitken	Clinical Director Quality
Ulrike Buehner	Clinical Director Quality
Birendra Kashyap	MOSS Taupo Hospital
Marleen Julyan	MOSS Taupo Hospital
Nic Crook	Quality Director Medical Services
Sue Finch	Clinical Midwife Manager
Delendra Wijayanayaka	RMO Representative

Directory

Spectrum Health Limited Directors (wholly owned subsidiary company)
Deryck Shaw
Ron Dunham

Lakes Ophthalmic Services Limited Directors (50% owned associate company)
Dale Oliff
Marc Gimblett

Lakes District Health Board
Chief Executive
Ron Dunham

Chief Financial Officer
Alan Mountfort

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Westpac New Zealand Ltd

Solicitors
East Brewster