Annual Report
for the year ended
30 June 2014

Presented to the House of Representatives pursuant to section 150(3) of the CE Act.

Contents

Message from the Board Chairman

As we note the achievements of the financial year reflected in this Annual Report, it's an opportunity to thank every person who has contributed with professionalism, passion and commitment to the health services we enjoy. Lakes District Health Board (DHB) communities can be proud of this Annual Report which outlines another successful year delivering high quality health services to our population.

Health Outcomes
We are committed to improving health outcomes of individuals and communities in the Lakes district and I note the positive achievement against many of the national Health Targets and other health measures.

Better Public Services
DHBs are expected to actively engage and invest in the Prime Minister's whole of government key result areas. Lakes DHB is working collaboratively with other agencies including the Ministries of Education, Justice, Social Welfare, Child Youth and Family Services and the Police to enhance the way social services are delivered and make a real difference to the lives of people who live here. In Rotorua, this includes work with the Children's Team and the Social Sector Trials or Excel.

Lakes DHB also supports the developments with Whanau Ora which promotes a new strengths-based model of working with families, acknowledging that they are in control of their own destiny. In this new way of working, it is hoped a supportive environment, improved awareness and personal responsibility for health and well-being will enable our population in all of our communities to attain a higher quality of life and make healthier choices.

Relationships with Maori and Iwi Governance
More than half of the Lakes DHB population live in the most deprived economic grouping and a much greater proportion of Maori live in these social deprivation quintiles. Poorer health and significant health disparities provide Lakes DHB with its greatest challenge for the coming years.

Iwi participation in the work of the DHB is essential to ensure the needs of the iwi/Maori community are understood and remain a top priority. The relationship with iwi governance bodies, Te Roopu Hauora o Te Arawa (TRHOTA) and Te Nohanga Kotahitanga o Tuwharetoa (TNKOT), continues to be of great importance to Lakes DHB.

In the 2013/14 year, TNKOT and TRHOTA reviewed their structure and operations and, as a result of this review, an executive forum of representatives from both bodies is in the development phase. Further work will occur in the 2014 year to formalise the arrangements.

Regional and National Collaboration
Lakes DHB is an active participant in the Midland DHBs' regional processes, working together with the four other Midland DHBs to improve consistency across services and ultimately increase gains in quality, efficiency and cost control. Strong clinical leadership and engagement is pivotal to gains made and remains essential.

Lakes DHB remains committed to supporting our national programmes which have been developed and delivered on behalf of each of the 20 DHBs.

Living Within our Means
Lakes DHB continues to focus on better, sooner, more convenient health care for patients and communities within constrained funding increases. This year we have again met the expectations of the Minister of Health to achieve better than budget forecasts.

On behalf of Lakes DHB, I would also like to acknowledge the work of our advisory committees in community and public health, disabilities and hospital services. In addition to local community membership, this year has seen reciprocal cross appointments to these committees from Bay of Plenty and Waikato DHBs. This provides greater opportunities for regional collaboration and to developing shared understandings around further regional initiatives.

My thanks also to fellow Board members who act in the best interests of the DHB and remain cognisant of the Minister's expectations. Together we have a capable team committed to providing strong governance on behalf of the Lakes communities.

Deryck Shaw
Chair, Lakes District Health Board

Message from the Chief Executive

I am delighted to share another successful year of achievement in delivering excellent health care services to our community. My thanks go to every staff member for the tremendous work they have done in the past 12 months and for the excellent results achieved for the Lakes communities.

Taupo Hospital Opening

The opening in March 2014 of stages 1 and 2 of the redeveloped Taupo Hospital was confirmation of the DHB's commitment to the Taupo community. The two stages have seen maternity services co-located with a redeveloped emergency department, a new ambulance bay, occupational therapy and the inpatient unit. Stage 3 will continue until December 2014 and includes the reworking of the main entranceway, a new physiotherapy area in the former Emergency Department (ED) space, outpatients, physiotherapy and the day stay unit.

Tribute must be made to the Taupo Hospital and Health Society which made a generous donation of $850,000 to help with the refurbishment.

Primary/ Community Health Care - Care Closer to home

DHBs are expected to focus much more strongly on integrating primary care with other parts of the health service through better co-ordinated health and social services and care pathways designed and supported by community and hospital clinicians.

Lakes DHB, Rotorua Area Primary Health Services (RAPHS) and the Te Arawa Whanau Ora collective have established an exciting alliance as a platform for collaboration in the planning, funding and provision of primary and community services. The Team Rotorua Health Alliance is a clinically-led alliance which will focus on leading significant change within the Lakes primary/community health system and interfaces with hospital services. An Alliance Leadership has been agreed and work continues on an alliance agreement and establishment of expert service level alliances that work up recommended service configurations. This is achieved through a process that combines the contribution of clinical, community and provider perspectives.

The Midlands Health Network (MHN) which covers the Taupo/Turangi end of the Lakes district is already well established and we are seeing improved health outcomes for the population in the southern end of the district. The network has consolidated its work programme and implemented a number of innovations including Primary Options for Acute Care and a multidisciplinary team to support work with people with long term conditions.

The NGO sector

I would like to thank the NGO sector. Over the years this sector has made a significant contribution to health and disability service delivery in the Lakes area, and continues to do so. From child health to mental health and addictions, health of older people to providing support for those with long term conditions and disabilities, NGOs have made a valued contribution to our population's health.

Community Pharmacy Services are in the midst of change focusing on a patient-centred model of care, and again make a valued contribution to health services in our rohe.

"The LAKES WAY" - our commitment to our patients

THE LAKES WAY is a programme that was developed over the second half of 2013 as one means of helping us better meet the expectations of our patients / families / whanau.

THE LAKES WAY is an organisational-wide campaign about how we can work to provide the best possible care for our patients, with three levels of commitment. It outlines how we promise to provide

care for our patients through the three Cs – caring, communicating and consistency, while outlining what patients can expect from Lakes DHB, its services and staff.

My sincere thanks go to every staff member, the management and clinical teams, Executive and Board who have supported initiatives to improve the health outcomes of our community. I appreciate the support of all staff as we have continued to provide services and maintain our financial situation.

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 2013/14

Lakes DHB's overarching priority for 2013/14 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; and
- 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 Maori 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 over 100,000 people living in the Rotorua, Taupo, Mangakino and Turangi districts.

Lakes DHB is responsible for funding personal health, Maori 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 Maori 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.

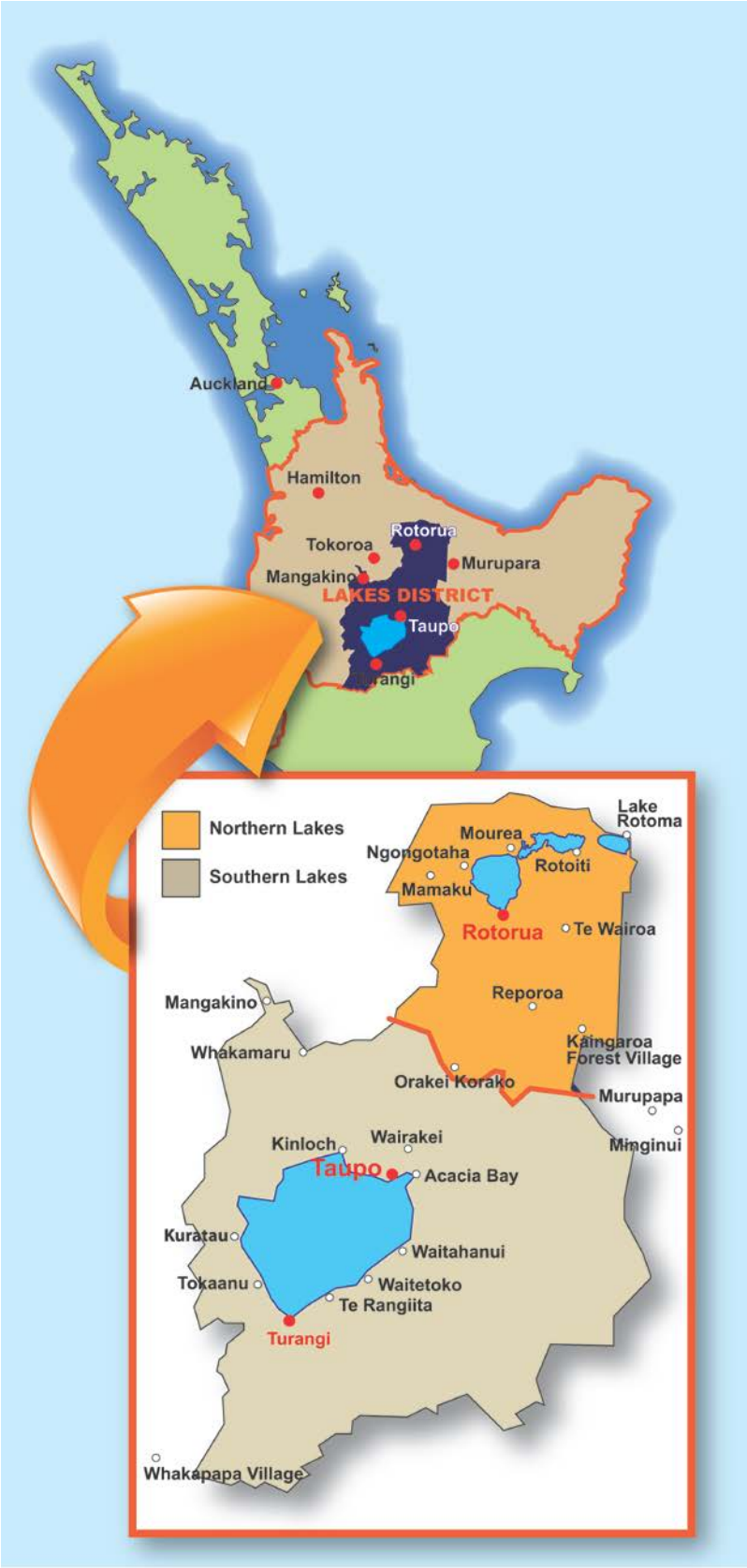
Good employer initiatives focused on bipartite meetings which were held with Council of Trade Union (CTU) union groups on a regular (quarterly / monthly) basis to discuss industrial matters, continue to build on healthy workplaces principles and developing effective partnerships.

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

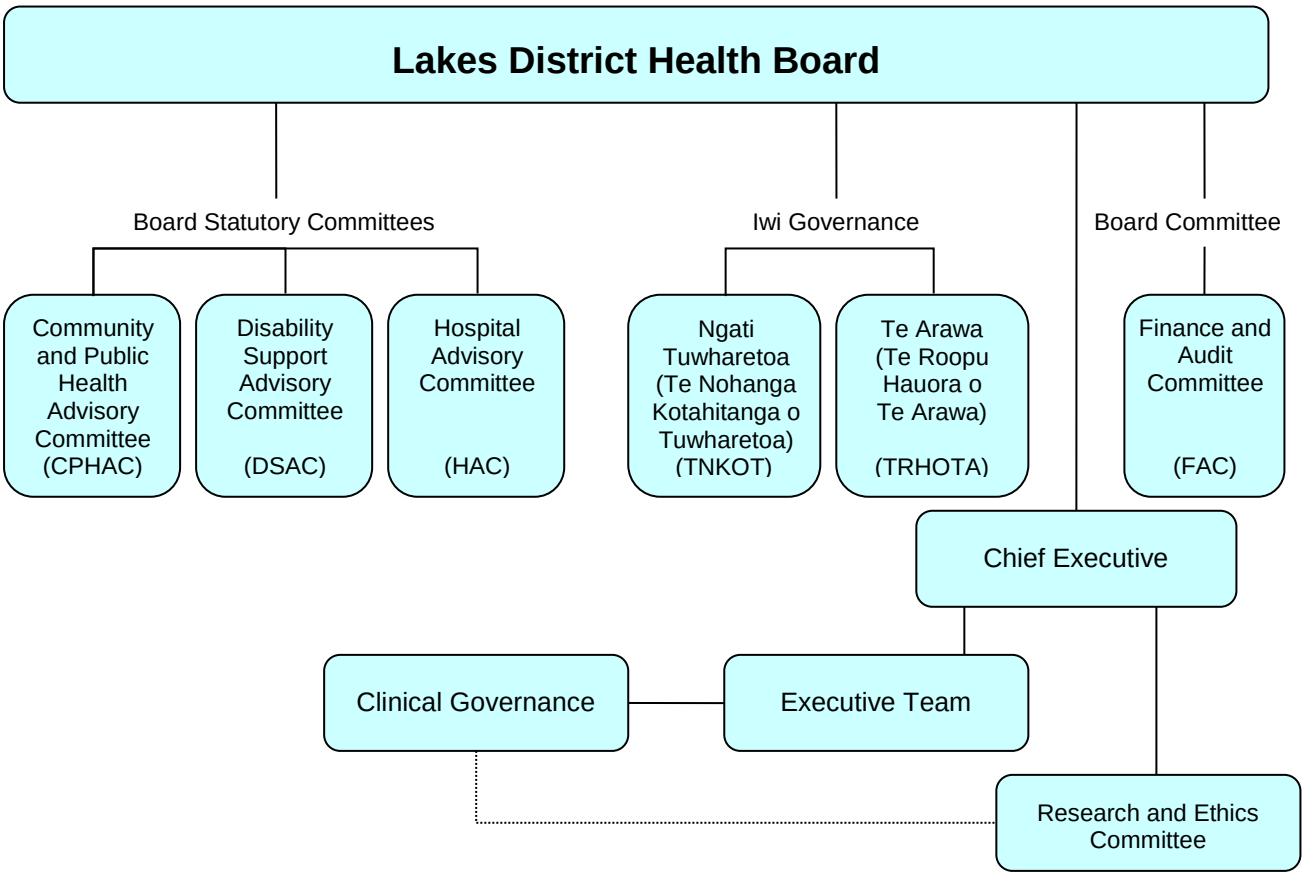
The continued upwards trend in the Staff Satisfaction Survey results for 2012 have shown the policies and practices of the DHB are enhancing a positive and healthy workplace for our employees.

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 2013/14



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 13 December 2013 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.

Lakes District Health Board 2014
L-R seated: Danny Loughlin, Ailsa Gathergood, Deryck Shaw (Chair), Mary Burdon, Ian McLean
L-R standing; Merepeka Raukawa-Tait, Rob Vigor-Brown, Lyall Thurston (Deputy Chair)' Maggie Bentley, Charles Sturt
Inset: Tamarapa Lloyd

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 the Midland region.

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 and Addiction 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 2013/14 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 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 2013/14 included:

- Reviewing and approving all governance policies as they required updating
- Participating in the Insurance Renewal proposal for 2013-14 period with Marsh and Health Benefits Limited
- Evaluating the impact of various Health Benefits Ltd (HBL) projects on Lakes DHB
- Appointed the main contractor for Stage 3 of the hospital development at Taupo Hospital
- Recommended the Board approving in principle the draft Lakes DHB Annual Plan for 2014/15 prior to submitting to Ministry of Health
- Consideration and approval of Older Persons and Rehabilitation Service roofing and façade
- Reviewing the business cases and recommended the Board approve the:
    - Progressing Department of Internal Affairs (DIA) compliance requirements
    - Consideration of various regional incentives and supporting those initiatives, namely:
        - Clinical Work Station
        - ePharmacy project
        - Clinical Networks
    - Changing the existing telecommunications contract to the Telecom/Gen-I AoG contract for Mobile Voice and Mobile Data and Tahi contract for landlines in line with the national direction
    - The purchase of replacement switches with Cisco Nexus data centre switches for both clinical and corporate environments - $210,000
    - A refresh of the current Radiology RIS/PACs hardware environment with DIA compliance - $469,000
    - Replacement of the LCP Production servers hardware and software fresh and 3M Web Codefinder - $88,000
    - Replacement of seven citrix servers - $65,000
    - Replacement of the Taupo central station and bedside monitors - $66,000
    - Replacement of the Digital C-Arm Fluoroscopy Unit with upgrading to the air filtration to ensure that the Rotorua sulphur environment does not adversely impact on the equipment - $748,000
    - Replacement the Taupo Hospital PABX with a Cisco-VoIP telephone system, Zeacom Voice Mail and Upgrade to the Tellen Paging System - $122,000
    - Approved the purchase and implementation of a single instance installation of Titanium Electronic Oral Health Record system - $492,000
    - Purchase of a replacement endoscopic tower and video bronchoscope - $69,000
    - Approved a finance lease option for the replacement of the fluoroscopy (10 years) and ultrasound equipment (seven years)
    - Replacement of 13 motor vehicles on a leased option from TFS Limited for 45 months
    - Approved a three year contract for medical and general waste disposal services with the incumbent supplier, utilising the HBL national waste contract process
    - The replacement of two haemodialysis machines - $67,000
    - Extension of the current Lakes contract for natural gas supply with Genesis Energy AoG process
    - Approved the new approach to implementation of Orion Clinical Workstations project budget increase, and agreed the timing of the license fees costs be spread evenly for all Midland DHBs over the five year timeframe
    - Replacement of Soluscope Endoscopy Reprocessing Machines - $100,000
    - Replacement of a Colposcope for Gynaecology for Taupo Outpatients Department $61,000
    - Approved the business case for DIA Compliance to be capitalised - $329,000

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 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 continues to develop its model for clinical governance across the organisation. The focus continues to be alignment of process from the departments up through service level and ultimately to the organisational Clinical Governance Group. Standardisation of reporting templates and the activities of clinical governance enable issues to be dealt with at the lowest level whilst supporting the sharing of key learning points across the hospital.

The Clinical Governance Executive Group meets regularly to create the focus for the Clinical Governance Group itself, and constantly review the ongoing development of clinical governance activities. The Clinical Governance Group has sanctioned a number of quality improvement activities passing the responsibility of action down to the subcommittees and services.

The work for the coming year will be to standardise reporting of the subcommittees of clinical governance, and receive, review and suggest schedules of actions for these groups in the future.

Considerable work has been undertaken around the structures for mortality and morbidity meetings within the organisation. An organisational Mortality and Morbidity Group meets regularly and its activities are becoming embedded within the services. Work has been undertaken to align department mortality and morbidity reviews at each level to facilitate better and more transparent reporting. The case review process is also being transformed to ensure greater transparency and to facilitate and ensure outcomes and recommendations are followed through and issues addressed. The mortality nurse role is functioning well and ensures that all deaths within 28 days of discharge from hospital have some form of review. Tracking of Health Roundtable data on standardised mortality rates will help identify if these improvement activities are having an effect.

Work continues with the clinical handover tool, Venous Thromboembolism (VTE) prophylaxis and reducing perioperative harm. The Medication Safety Group has been revamped and has a current focus on medicine reconciliations and reducing harm from opioid prescribing.

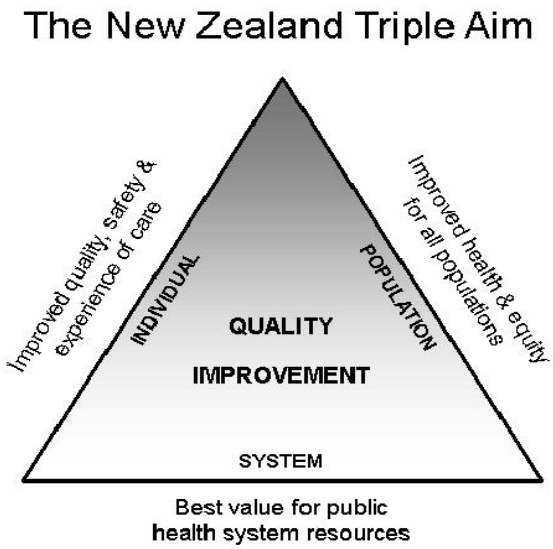
Quality and Safety

Lakes DHB made a commitment to implement the initiatives specified by the Health, Quality and Safety Commission. This involved participation in the national patient safety campaign. Staff were involved in a number of activities to keep our patients safe:

- Reducing falls resulting in harm
- Reducing surgical site infection
- Reducing peri-operative harm (including safety in theatres)
- Prevention of venous thromboembolism (VTE)
- Improving our hand hygiene compliance
- Minimising seclusion practice in mental health
- Continuing to improve the quality of end of life care for our patients
- Continuing to work to improve our escalation process when a patients condition deteriorates
- Improving our customer care and responsiveness to patient needs

These areas were identified from our serious event investigations or because our patients raised them as concerns.

Quality of care, listening to consumers and community and preventing harm are at the centre of Lakes DHB quality improvement plan. This work is directed from a clinical governance framework.

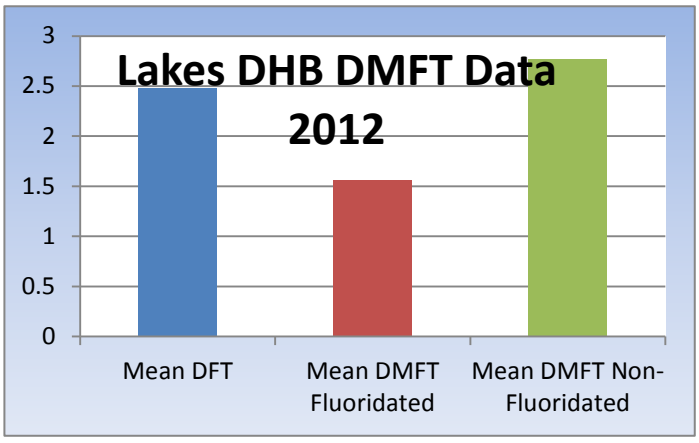


Reducing Inequalities

Reducing health inequalities remains at the top of Lakes DHB's agenda. Poorer health and significant health disparities between population groups persist, providing the DHB with its greatest challenge for 2013/14 and beyond. Detailed results are to be found in the Statement of Service Performance section, page 32.

However, compared with the final quarter of 2012/13, progress shown at the same period in 2013/14 has included:

- The achievement of the B4 Schools programme targets which included seeing 90% of all four year old Lakes DHB children living in areas of high deprivation Index Quintile 5.
- HPV immunisation coverage for year 8 girls in Lakes DHB schools continues to be very well focussed and targeted for young Maori women with the results highlighting the success of this approach with significantly higher coverage for Maori than non-Maori.
- All Lakes DHB school based health services and youth one stop shops are focussed on delivering services to high deprivation children and young people, including the delivery of increased services in Decile 1, 2 and 3 schools, Rotorua School for Young Parents and Alternate Education providers.
- A continued reduction in teenage pregnancies and terminations of pregnancy for women under 20 years of age, with a more marked drop for young Maori than young non-Maori women.
- Measures for decayed, missing and filled teeth (DMFT) data for 2012/13 and 2013/14 show Lakes DHB's five year olds to have amongst the worst oral health in the country (varying from first to third worst in the country for different reporting periods). Of serious concern is the fact that these data show that Maori experience much worse oral health than other segments of our population. Given this persistent disparity, Lakes DHB has worked to reformulate its oral health strategy that is to be operationalised during the 2014/15 year. The DHB will continue to work to promote fluoridation of public water supplies as evidence in the last year shows a marked difference in results for fluoridated versus non-fluoridated areas (calculated using residential address as a proxy for access to a fluoridated water supply).



- Continued equitable Maori/non-Maori hospitalised smoker advice to quit results while also meeting the 95% target although work in improving performance is still required in terms of the primary smoking target.
- The achieving of equitable results for eight month immunisation rates by one PHO while the other PHO is showing good improvement in this regard.
- Although, performance around CVD Risk Assessment (a National Health Target) has shown considerable improvement during the 12 month period to June 2014 in respect of both PHOs, disparity is still evident between Maori and non-Maori (using 'high need' and 'other' as proxy measures from the PHO reporting system). Closing this gap is an area of focus for the coming year.

- While not national targets, the continuing discrepancies seen between Maori and non-Maori for breast and cervical screening is a concern given the serious consequences associated with these conditions and the fact the Maori have higher mortality rates around both of these. Reducing the disparity in these areas is a key focus for the 2014/15 year.

- Did not Attends or Was not Brought (as in children) to outpatient clinics remains a concern in spite of intense work by the Maori health team in this area.

- The Community Pharmacy Programme that focuses on medicines adherence for those with long term conditions is now underway in Lakes and it is expected this will drive benefits as long term conditions account for significant health disparity. However it is too early to gauge effectiveness of this programme.

Lakes Health Services Improvement Project (LHSIP)

During 2013/14 Lakes DHB completed both building and remedial works left at Rotorua Hospital after the receivership of its contractor.

Rotorua Hospital

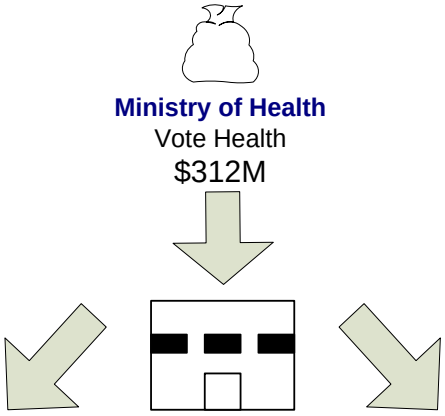
At Taupo hospital both Stages One (Maternity, Emergency Department and Radiology) and Stage Two (Inpatient unit) have been completed. Stage Three (Outpatients, Day Stay, front entrance, physiotherapy, refurbishment of former maternity building for mental health staff and remaining areas seismic strengthening) is the last stage commenced and rapid progress was made on the new front entrance and outpatient areas and these were commissioned in August 2014.

All work at Taupo Hospital is expected to be completed by December 2014.

Taupo Hospital

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



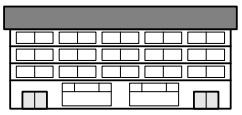
Ministry of Health
Vote Health
$312M

Lakes DHB

$5M
Governance and Administration (G&A)

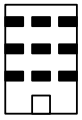
CE, Governance (Board and Statutory Committees), Corporate Services, Planning and Funding

$148M



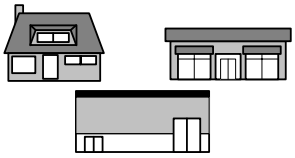
Provider Arm (HSSS/Population Health)
Clinical Services, ED, Specialist Assessments, Surgery, Fracture Clinic, Chemotherapy, Pain Clinics, District Nursing, Home Oxygen, Home Help, Meals on Wheels, NASC, IDFs, etc

$44M



Other DHBs
Secondary and Tertiary

$115M



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 2013/14

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.

Health Targets

Most Health Target results are based on performance in the last quarter of the 2013/14 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, three targets were met for the final quarter of 2013/14:

- Improved access to elective surgery target (114% against a target of 100%)
- Shorter waits for cancer treatment (100% against a target of 100%)
- Better help for smokers to quit hospital target (99% against a target of 95%).

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

Lakes did not achieve the primary smoking target and 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 17th after returning a figure showing that 91% 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.

Smoking Health Target

Significant project work has gone into achieving the secondary care and maternity smoking Health Target and providing smoking cessation services. We have a particular focus on smoking in pregnancy. Lakes DHB's population has a higher rate of smokers than nationally, however the recent census results of smoking prevalence in the Lakes population indicated a more pronounced reduction than the national reduction of smokers.

We have also provided support to primary care in Rotorua to assist the GPs to meet the smoking target for their enrolled populations. Results have improved dramatically as a result.

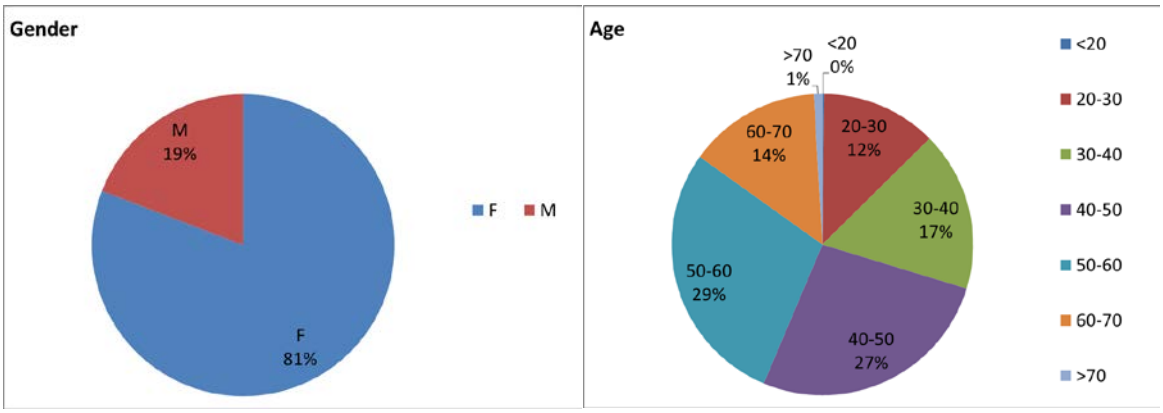
Childhood Immunisation

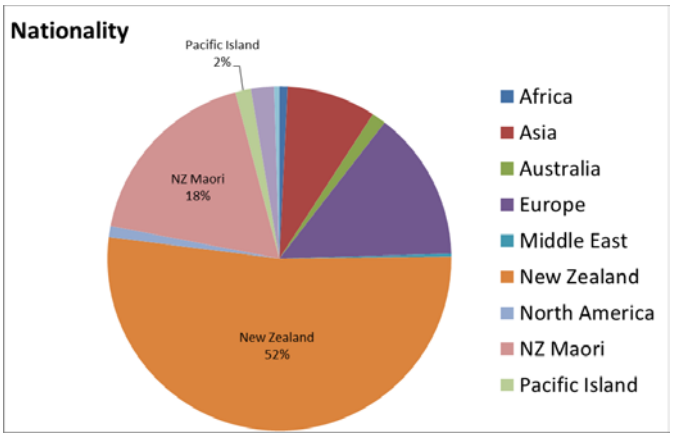
Lakes DHB has seen a significant improvement since 2010 when Lakes DHB had the lowest immunisation coverage in the country, with only 65% of all two-year-olds having an up to date immunisation record. At the end of the fourth quarter 2014-15, Lakes had 89% against the target of 90% of all eight month olds up to date. Thus, further work is needed on developing a systems approach across primary care and the DHB immunisation team. Eventually we would like to see parity between Midlands Health Network and RAPHS and for RAPHS patients we want to see equitable results for Maori.

Human Resources

Introduction

Lakes DHB is a major employer in the Lakes district, using contracting services (Spotless and OCS) as well as employing approximately 1350 staff. Lakes DHB offers flexible employment options, permanent fulltime or part time and casual. The workforce profile at Lakes is depicted in the pie charts below and is made up of a high proportion of female staff (81%, same as previous report). Similar to last year's report, 17.83% of the Lakes DHB workforce have identified themselves as New Zealand Maori, 1.47% as Pacific Island origin (down on the 1.63% last year) and 52.17% as being from New Zealand (also slightly down on the 54% last year). The age make-up is consistent with last year's report, 55% of employees are aged between 40 and 60 years old with 29% being aged 50-60 years old. 13% are between 17 and 30, 15% are 60-77 years of age and 17% are aged between 30 and 40.





As a good employer, Lakes DHB ensures staff with disabilities are supported through open and transparent recruitment processes and health and safety pre-employment screening. Equipment and support are provided to staff identifying disabilities. Lakes DHB has an underreported disabled workforce and as such, data has not been included in this report.

Disability requirements have been incorporated into all elements of design of the new build which continues this year. These elements support both staff and patients and allows for the supports required in the role.

The leaders of Lakes DHB, in conjunction with employees and unions, continue 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. Unions and employee representatives are invited to assist the development of new or regular review of current organisational policies.

In all aspects of recruitment, training and other opportunities our policies ensure equal employment opportunities, leaders within the organisation understand and adhere to the Lakes DHB policies supporting fair work practices. Lakes DHB is a member of the EEO group and utilises the information in the regular newsletters and updates when conducting reviews of 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

Leadership, Accountability and Culture
In 2014 THE LAKES WAY was introduced and rolled out to Lakes DHB employees and managers. The philosophy and intent of the programme is to focus on being leaders in the health field, being sensitive to patient needs culturally and as human beings, and to be accountable for the actions taken in providing health care to the community. It is important to the organisation and the community that each patient is recognised as an individual and treated with courtesy and respect in all aspects of their treatment pathway. THE LAKES WAY is broken down into three main components, the organisation's promise to the patient, the organisation's and individuals' behaviour expectations to meet the promise and the organisation's commitment to our employees to equip them to meet the expectations and promise to the patients.

Activities Included:

- Roll-out of THE LAKES WAY (organisational commitment to patients and employees)
- Ongoing Managers in Action training for all leadership activities, e.g. Recruitment and Selection (including equal employment), Bullying and Harassment (definition and management of), Performance Appraisals (fairness and consistency), etc
- Midlands Leadership Development Training
- Regular Bullying and Harassment awareness training for employees (definition and conduct)
- Regular meetings with unions and employee representatives

Recruitment, Selection and Induction
Lakes DHB has been able to regularly report on recruitment statistics accurately via the Taleo system and, where necessary, look at policies required to assist with the attraction of a diverse workforce.

In the period 1 April 2013-30 March 2014, 2938 applications were made to work for Lakes DHB. Of those applications, 9% were employed. Of the 458 Maori candidates, 11% were employed being almost 20% of the total number employed. Of New Zealand European applicants, 15% were employed being 50% of the total number employed.

Lakes DHB has continued its strong participation in the Kia Ora Hauora programme, promoting health careers to Maori with the aim of increasing numbers of Maori participating in health training. In addition to this, there has been continued involvement with secondary schools to place students on experiential work placements – Gateway - where health has been identified as a preferred career option and attendance at local career expos to promote health as a career.

Through pre-employment health screening, we are able to support staff (where required) who start work, with disabilities.

Activities included:

- Continued commitment to EEO principles in recruitment practices
- Development and review of recruitment and selection practices on a regular basis
- Monthly orientation of new employees to the organisation's expectations and requisite knowledge
- Continued robust selection practices including Maori health representation on interview panels
- Development of a training programme to assist recruiters and interviewers with cultural assessments within the recruitment and selection process
- Monthly reporting on recruitment statistics
- Post-entry survey for new employees at three months to assess Realistic Job Previewing, Induction practices and working environment
- Kia Ora Hauora programme participation
- Attendance at local careers expos
- Secondary school Gateway placements
- Pre-employment health screening
- Individual work station assessments

Employee Development, Promotion and Exit
The learning and development team continues to utilise training needs analysis from the performance management process to identify and schedule training for all staff in all areas, including leadership development and capability. All employees have access to dedicated learning and development funds and training days. Continuing professional development is important to all professional groups at Lakes DHB.

The Managers in Action training provided by Lakes DHB and the Leadership in Action training is open for application by all employees allowing for employees to be promotion ready when roles are available. Lakes DHB supports employees 'acting up' into leadership and management positions for leave cover which gives employees that extra readiness for promotion.

Lakes DHB has a history of low turnover and utilises data from exit interviews to improve work areas where necessary.

Activities Included:

- Continuing Professional Development Funds (psychologists, sonographers and MRTs)
- Continuing Medical Education for doctors
- Land Development Training Funds
- Nurses' Training fund
- Support of extramural tertiary training
- Provision of Mentoring and Professional Advisors
- Monthly reporting on access by service and professional group including acceptance statistics
- Utilisation of Exit Interviews

Flexibility and Work Design
Lakes DHB operates 24 hours a day, seven days a week, providing full-time, part-time and casual employment opportunities. Lakes DHB has flexible working policies allowing for employees' diversity with consideration of a flexible approach to rostering for employees requesting alternative working hours for personal reasons. A separate breastfeeding policy allows for mothers returning to the workforce to do so with confidence, knowing their mothering needs are also met. The Lakes DHB's Work and Family Procedure recognises not all families are the same and the needs and responsibilities can be very different, this does not have to have a negative impact on the work environment or operational requirements, but can enhance the roster situation.

Activities included:

- Continued provision of a breastfeeding room and pump to mothers returning to work.
- Flexible working arrangements where possible for employees changing circumstances.
- Flexible rostering practices with some departments allowing for "self-rostering"

Remuneration, Recognition and Conditions
Lakes DHB continues to utilise the Strategic Pay method of job evaluation for staff on Individual Employment agreements and administrative roles. In 2013-2014 a number of new and existing roles were evaluated. Existing roles are evaluated following a request from the incumbent and their manager due to a change in role requirements. Lakes DHB has a Remuneration Procedure specifying equal pay for all groups which provides a logical and consistent remuneration system that is known and transparent. Nursing and Midwifery roles are scoped using the JERC (Job Evaluation Review Committee) process as per the national multi employer collective agreement.

Recognition activities included:

- Continued participation in Strategic Pay 10 job sizing with union delegate involvement in the sizing panel as appropriate
- Celebratory Service Awards presentations
- Nursing and Midwifery of the Year Awards
- Staff Christmas BBQ

Harassment and Bullying Prevention
Lakes DHB has a zero tolerance to bullying and harassment. The human resources team continues to provide training programmes in bullying and harassment to managers and team leaders and a separate programme to staff. A clear Harassment Policy is in place at Lakes DHB with a clear definition and easy to follow flow chart for employees to follow should they have any feeling or indication of bullying or harassment from a colleague. There were no proven bullying or harassment allegations throughout the year.

Activities included:

- Continued Bullying and Harassment training for managers
- Continued Bullying and Harassment training for employees
- Investigation into new training tools and materials
- Investigations into allegations of workplace bullying and harassment
- Counselling and facilitated meetings for employees experiencing workplace relationship issues including agreements for expected outcomes

Safe and Healthy Environment
Lakes DHB maintains a high level in Health and Safety and operates in a system where claims are managed from start to finish within the business. Work Aon is our contracted claims management provider and in close partnership with them we have ensured any injured employees have the least disruption to their participation in the workplace. An employee's involvement in their return to work plan allows for a shorter convalescence and faster recovery time.

Employees have participated in the audits for Accident Compensation Corporation (ACC) Workplace Safety Management Practices – Claims Management and WorkWell, again resulting in the highest level of achievement for both audits.

Activities included:

- Accredited employer in the ACC Partnership Programme. Tertiary Level achievement in ACC auditing for Workplace Safety Management Practices & Claims Management
- Gold Re-accreditation in WorkWell audit
- Continued Healthy Eating Healthy Actions programme
- Employee involvement in return to work programmes
- Provision of Employee Assistance Services
- Provision of Immunisations for employees
- Provision of smoking cessation support options for staff
- Pre-employment health screening

Conclusion
Lakes DHB has led the way as a good employer by becoming the first DHB or Crown Entity in New Zealand and first organisation to achieve the Gold Standard in the WorkWell Audit in 2013. The DHB re-certified this result in 2014 to the Gold standard.

The continuation of the Lakes DHB campus development process and the re-development of Taupo hospital have been an ongoing challenge however, initiatives such as THE LAKES WAY being rolled out to staff and patients, demonstrate the commitment to being a good employer and health care provider to the community.

National Health Sector Entities
During 2014/14 we aligned our planning with the planning intentions of key national agencies. These agencies include:

- Health Benefits Ltd (HBL)
- National Health Information Technology Board
- Health Quality and Safety Commission
- Health Workforce NZ
- National Health Committee (NHC)
- Health Promotion Agency
- PHARMAC

Relationships with Primary Care

The key achievements for a `whole of system` approach have been built on the continued strength of relationships and shared approach between primary care and hospital based (secondary services) in the Lakes DHB region. Primary care has maintained a focus on key health deliverables to drive health gains for our population within health targets and capacity and consolidation of new service programmes that address chronic disease prevention and management of Long Term Conditions (LTC).

- Primary Health Organisation (PHO) performance with primary health targets has shown consistent improvement and positive results when compared to the national average performance; More heart and diabetes checks achieved 87.6% towards the target of 90%.
- In the southern Lakes region LTC management programmes employed multi disciplinary roles in dietetics and social work to strengthen the team approach and have continued to provide activity and nutrition programme support for self management. Nurse practitioner roles have worked closely with DHB secondary specialists to provide a seamless service for clients in the community.
- In the northern Lakes region the Lakes Integrated Network Care (LINC) programme has consolidated the LTC approach through nurse led care co-ordination such as the `Diabetes Care Improvement Programme` (DCIP) for management of a critical long term condition. The LINC programme provides a suite of tools, including dynamic disease registers and risk stratification, to assist providers in allocating patients to care programmes based on their level of need.
- Clinical pathways tool `Map of Medicine` has rolled out to both primary and secondary clinicians for early adoption as part of a regional Midland approach. Local clinicians have participated in local review of a number of pathways including deep vein thrombosis (DVT), cellulitis, dementia, contraception, gout, child asthma, lung cancer, colo-rectal cancer and several gynaecology pathways. These pathways are published or in the process of being published for use. Utilisation of Map of Medicine pathways by clinicians is low but slowly increasing.
- The Alliance contracting approach has provided a consistent and planned approach for new service design in the southern region. The Midlands Alliance has released a three year plan that sets out a comprehensive approach for successful implementation of primary care programmes, including Lakes Primary Options and Map of Medicine.
- RAPHS and the Te Arawa Whanau Ora Collective have recently begun the establishment of an Alliance as a platform for collaboration in the planning, funding and provision of primary and community services. Current work includes qualifying its scope of activities for a proactive work plan.
- Extended GP management of patients in the community who have presented with acute illness has improved through implementation of `Primary Options for Acute Care` primary options programme for Taupo/Turangi practices. The programme provides timely diagnostic and clinical management support to the practices to prevent avoidable referral to ED at no extra cost for the patient.
- Community pharmacies in the Lakes region have adopted the national approach for improved medicine management and have actively registered clients with adherence to medication issues within their LTC programme for monthly clinical management. All pharmacies have adopted the approach and client numbers are expected to grow consistently as the programme tools become an accepted part of the pharmacy service.
- Continued development of electronic processes accessible across the whole system remain a priority for primary care providers, including e-referral between primary and secondary care. Patient Portal, National Child Health Information Programme (NCHIP), access to clinical pathways for consistent client journeys and shared care planning that utilises the continuum of service provider input for a whole of system and right for person outcome are the key goals.

Elective Services

During the 2013/14 year, the target for elective procedures for Lakes DHB population was 3659 discharges. The actual number achieved was 4166 discharges of which 2800 (67%) elective operations and procedures were carried out in the Lakes DHB hospitals and 22% at our inter district flow (IDF) service providers. A change effective from 2013/2014 has been our ophthalmic service delivery. It has

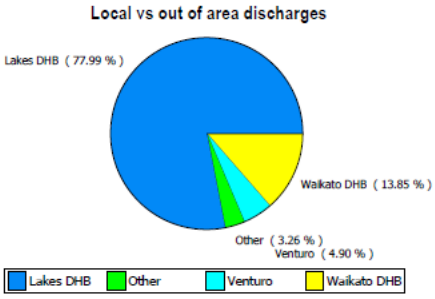
been outsourced to a strategic third party provider. They provided 11% of the 2013/2014 Elective Health Target.

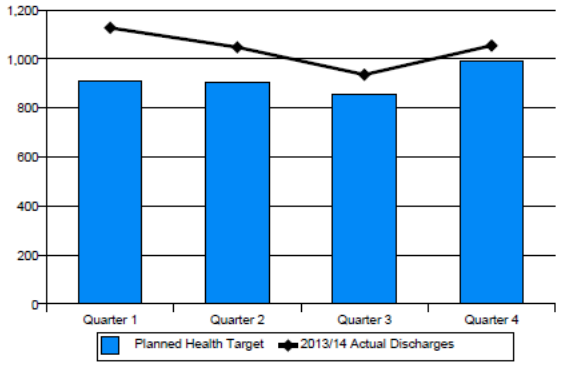
A total of 12,404 first specialist assessments have been completed against the Health Target of 11,363. These outpatient appointments were held at both hospital sites in Rotorua or Taupo, Lakes DHB, and at our specialist third party provider locations. Lakes DHB continues to demonstrate improved access to elective services.

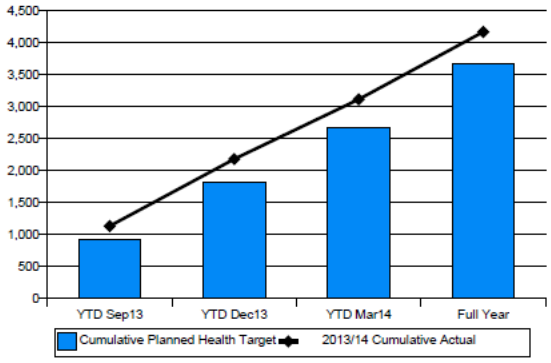
2013/14 Improved Access to Elective Surgery Health Target Delivery by Quarter

Lakes DHB	Achieved

Financial Quarter	Planned Health Target	2013/14 Actual Discharges	Plan to Actual Variance	YTD Plan	YTD Discharges	YTD %
Quarter 1	908	1127	219	908	1127	124.1%
Quarter 2	904	1048	144	1812	2175	120.0%
Quarter 3	857	936	79	2669	3111	116.6%
Quarter 4	990	1055	65	3659	4166	113.9%
	3659	4166	507	3659	4166	113.9%







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

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 2014. 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 2013/14 year.

Needs Assessment Service Co-ordination (NASC)

Lakes Needs Assessment Service Co-ordination service transferred to the provider arm this year and has developed closer relationships with hospital services that are resulting in improvements in referral processes and supporting people to be discharged with the services needed. The use of intermediate short term residential care for people not requiring to remain in hospital while recovering from an acute event, such as fractures or delirium, has increased.

The focus continues to be on using health professionals specifically trained in comprehensive health needs assessment and service planning who can work with people and their family to develop a range of support that responds to their identified needs and maximise their ability to remain at home longer or, where needed, transfer into long term residential care. The client group includes people who have a need for support that is related to age, long term chronic health conditions, or short term requirements during recovery.

All assessments/reassessments for both long and short term support services use the nationally standardised comprehensive assessment tools based on the interRAI suite of assessments. As at June 2014, 99% of the NASC client base, of approximately 2700, have had an interRAI assessment. The outcome of this assessment is forwarded to general practitioners and providers of the support services to support these clinicians / providers in planning a client centred approach to managing their care.

The interRAI lead practitioner/trainer continues to support the use of interRAI within hospital and community settings while ensuring that all assessors meet required competency standards and annual certification requirements.

The volumes of referrals to NASC services continue to increase which has impacted on the services ability to meet national service delivery timeframes. Additional contracted assessors have been resourced to support reducing the backlog of assessments and a formal review of service demand and resources is underway to ensure that support services change as peoples' needs change and that the continued focus is on reducing the risk of early and avoidable transfer to residential care.

Mental Health and Addictions

Packages of care

Lakes DHB has a small number of people whose care requirements exceed the resource ordinarily available within services. Non-government organisation (NGO) providers have successfully accommodated these people through the use of packages of care, resulting in community based rather than inpatient care.

Increased services for Rotorua young people

'Real' was established in Rotorua to offer talking therapies and youth worker support for young people. The service has a strong presence in most of the Rotorua high schools.

Primary care based talking therapies

In 2013-14 every general practice setting across Lakes DHB had a talking therapist situated within the practice. Aimed at earlier intervention for people experiencing mental health issues, there has been a notable increase in referral rate and numbers of people seen.

Health of Older People

Improved Services for Older People:

Specialist Services for Older People continued to develop this year with the appointment of a second geriatrician and the opportunity to expand services to the Taupo area as well as to focus on the regional development of stroke/transient ischaemic attack (TIA) services. The new Older Persons Rehabilitation Services (OPRS) unit continues to support the defined stroke unit and access to multidisciplinary rehabilitation team and operates with increase occupancy. Australasian Rehabilitation Outcomes Centre (AROC) criteria are well established and the overall length of stay continues to reduce within a more outcome focussed structure. Reviews of dietician and community allied health services have identified areas of development and resource challenges that will be incorporated into future service planning.

The focus continues to be on:

- Early identification of people with dementia and improved access to range of support services for the person and their carers. A regional dementia clinical pathway has been developed on the Map of Medicine framework for primary, community and secondary services. The promotion of the pathway is being supported by a dementia co-ordinator role as part of the NASC service function and Mental Health Services for Older People.
- Reducing the risk of injuries from falls, elder abuse and neglect and delirium.
- This year:
  - The hospital has developed a falls prevention and management programme for patients.
  - Vitamin D supplements are now given to 80% of residential care residents to improve balance and mobility and reduce the risk of injury.

    - A fracture liaison service has been established to identify people at risk of osteoporosis and ensure they have access to treatment and advice on reversing or minimising the risk of further fractures.
    - General and health professional specific training continues to improve the understanding of elder abuse and neglect prevention (EANP) strategies. Ministry of Social Development has announced funding for a defined EANP co-ordinator in Rotorua.
- Changing the service delivery for people requiring home and community support services that focuses on more flexible and responsive services with health professional oversight and well trained support work force continues to be developed as a Midland region wide initiative.
- Increasing the quality of home-based support services with the introduction of the need for providers to be compliant to the New Zealand Home and Community Support Services Sector Standard – here all Lakes providers have been audited and certificated as compliant.
- Educating hospital and community providers to better understand the needs of older people. This has resulted in a number of organisations providing access to training.
- Promotion of the use of Advanced Care Planning (ACP) using localised version of the national documents where people are encouraged to provide medical staff with information that will support better clinical decision making when a person is not able to respond. A process has been developed so that ACP plans are able to be recorded in the patient management record.
- Ensuring people transfer between services with limited risk of needs not being met. This has resulted in:
    - Emergency Department teams being able to access primary care information.
    - A focus on medication reconciliation for at risk groups while in hospital and use of medication utilisation reviews in the community.
    - Use of tools such as the Yellow Envelope that co-ordinates transfer between residential care facilities and hospital services and the Green Plastic Bag that ensures patients' medication information is stored and available to clinicians as the person transfers within hospital services.
    - Improved access to NASC for people needing support to avoid admission or on discharge.

The Ministry of Health, through DHBs, provided additional funding to increase the payments to home-based support providers as part of reducing the variation in hourly rates paid by DHBs nationally. Further national work continues to consider how to increase the quality of home and community support services and reduce the inequity for the predominantly casualised employed support workers.

All aged related residential care facilities in Lakes are engaged with training their registered nursing staff to use interRAI assessment tool for long term care for all residents as the base for all care planning. This approach will see an increase in the expertise of this workforce on the clinical risks for older people and improve the information available to primary care and hospital services. DHB lead practitioner / trainer engaged in providing support to this health professional group. The interRAI assessment tool will be compulsory by June 2015. Providers will also have ability to consider resident and facility level reports to support their resource planning.

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.

The Midland Cancer Network team continues to provide support to Lakes with the development of a 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 a 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 access to Waikato DHB medical palliative care specialist services, including visiting service.
- Ongoing regular palliative care focussed education to other health professionals.
- Support the use of Last Days of Life Care planning tools in both hospital and residential care settings.
- Standardising referral and care planning processes used by specialist palliative care nursing services.

National specialist paediatric palliative care services and local paediatric and specialist adult palliative care services have worked together to develop clear clinical pathways to support children and their families who need palliative care in Lakes.

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.

Nursing Initiatives

We have started running career force training for our health care assistant (HCA) group which will enable them to obtain an NZQA qualification. We are collaborating with Waikato DHB on this and using shared resources.

We also appointed a 0.2 FTE Venous Thromboembolism (VTE) prevention nurse to educate health professionals about best practice in VTE prevention and to help with auditing the work.

We have introduced the Advanced Care Planning form to a number of our chronic condition clinics. We have a modified version of the form that better reflects the local provision by hospice.

We have appointed 0.5 FTE of research nurses to enable the DHB to take part in clinical trials work and have begun recruiting patients onto our first trial. These nurses are able to receive ethics advice from the Lakes DHB Research and Ethics Committee.

As part of moving all of our nursing Professional Development Recognition Programme (PDRP) portfolios to an electronic platform we are piloting this year with our new graduate programme the use of an e-portfolio hosted on the Midland region e-learning platform. This initiative will improve the process of managing the PDRP programme and will result in a consistent model being applied across the region noting that other DHBs are also using the same e-portfolio.

Titanium Oral Health Electronic Record System

As part of the oral health business case rolled out nationally in 2010 the Ministry made a recommendation for DHBs to implement Titanium, an electronic oral health record management system across the DHB Community Oral Health Service. This project began in May 2014 and went live in August 2014. This is a significant undertaking to implement across the service which extends from Kurutau and Turangi in the south up to Rotorua. This includes installing computers and the Lakes DHB information systems across the whole range of community clinics. This will support the implementation of our re-vamped oral health strategy 2014-2020 “Good Oral Health for All, for Life”.

Children's Team

Lakes DHB response to the Rotorua demonstration site for the Children's Team has been resource intensive and has required an enormous commitment from all Woman, Child and Family DHB health services. This is a Ministry of Social Development driven programme and therefore a completely new way of working for the DHB. This included providing resources to implement services along with reprioritising our child health services to focus on inequalities and vulnerable children. Considerable national attention has been on the DHB around its learnings and progress reports that will inform the other DHBs how to support development of their own future Children's Teams.

Rheumatic Fever

Lakes DHB is identified by the government as a DHB with a high and growing rate of rheumatic fever and rheumatic heart disease. We are required to address this and to co-ordinate services and prioritise initiatives to achieve the government's Better Public Services target to reduce the incidence of rheumatic fever by two thirds to 1.3 cases per 100,000 people by 2017. In 2013 the Minister of Health agreed to our approach and signed off the Lakes DHB Rheumatic Fever Plan for the five year period 2013-2018. While numbers are small the impact of rheumatic fever on children is lifelong and a considerable cost to families and the community. Additionally, this is a disease of developing countries. Progress to date has seen a reduction in acute cases and a primary care approach to treating strep throats which can progress to acute rheumatic fever. A register of all rheumatic fever patients enables the DHB to continue providing follow up care and prevent recurrences.

Next steps involve services to target vulnerable populations in the Western Heights and Owhata areas where the incidence of rheumatic fever is particularly high.

B4 Schools

In 2013, the Minister required DHBs to increase their B4 Schools coverage from 80% to 90% for all four-year-old children. Included in this was the requirement that 90% were children living in areas of high deprivation. We were one of 12 DHBs to reach this target by June 2014. This is a great achievement as this means all these four-year-olds are having a comprehensive check-up before they start school. In a unique Lakes DHB initiative our Public Health nursing team is catching the other 10% of children once they begin school.

STAND Children's Camp

Rotorua has a children's camp in Tarawera Road servicing the Midland region and funded by Ministry of Social Development. The camp is for children aged five to 12 who are identified as needing the increased care and support and/or respite care. In 2014, Lakes DHB began providing child health assessments and treatments for all the children on entry to the camp. These are the most vulnerable children in the area with unmet health needs. A child assessment nurse provides the care with support from the community paediatrician and in partnership with the children's camp social workers.

Turangi Maternal and Child Health Service

The 2012 Taupo Maternity Facility and Service Implementation Report recommended Lakes DHB in partnership develop a sustainable model of service delivery to Turangi pregnant women and explore alternative models of service delivery in partnership with other service providers in Turangi. In 2013, Lakes DHB was successful in a proposal to the Ministry of Health to implement a Maternal and Child Health integration programme. This included a Turangi service which integrated maternal and child health services for pregnant women and their children up to age five years. The Turangi site opened in February 2014 and is strongly community driven and supported by iwi. The service is funded by Lakes DHB and has other services co-located such as Family Start and Ministry of Social Development providers.

Tipu Ora

Tipu Ora has a long history of service delivery in the Rotorua community. The Tipu Ora services focus on the health and well being needs of children, their whanau and their extended whanau, across a range of health and social services. This range of services has been contract-driven with each service operating within the contract requirements volumes.

Following a review of all services, a project was implemented to integrate the contracts and put the child and whanau at the centre of care. For example attending for the child's Well Child Tamariki Ora (WCTO) check and receiving referral for Family Start and oral health care can take place at the same appointment. Lakes DHB has now entered into an integrated contract between the Ministry of Health, Ministry of Social Development, Lakes DHB and Tipu Ora to deliver an outcomes-based service. This is possible because the provider is one that has delivered well and in whom we have high trust.

Western Heights Health Services

In 2013 Lakes DHB successfully completed a consultative process to develop a maternal and child health services integration programme. The strategic direction and service specifications have been approved by the Ministry of Health. An initial part of the integration programme is addressing the needs of pregnant women, their babies and whanau in the Western Heights Rotorua population. This is based on the high level of health inequalities amongst pregnant women and children in this population. This includes; over representation of babies requiring secondary care services, high levels of smoking in pregnancy, preventable hospital admissions including rheumatic fever and high unmet oral health needs and general health need. This integration programme is aligned with the Well Child Tamariki Ora Quality Improvement Framework.

The service specification describes an integrated continuum of maternity care and early parenting and support that links with primary care, existing providers and provides women and families with a pathway through pregnancy and early parenting. The service began on 1 September 2014 at Western Heights Health Service.

Maori Health

Whanau Ora

Lakes DHB has two whanau ora collectives, Te Arawa Whanau Ora (TAWO) for the northern part of the district, and Whanau Ora Ki Tuwharetoa (WOKT) for the southern part of the district. TAWO completed its third year on 30 June 2014 and has provided extensive reporting re governance, infrastructure, provider development and service delivery, to Te Puni Kokiri and the sector. No service delivery issues have been flagged to Lakes DHB. TAWO has members who sit on the northern region primary care alliance leadership team. TAWO has engaged with Te Pou Matakana (Northern Commissioning agency) regarding ongoing service provision. Updates are provided to the DHB Executive and the Lakes DHB Board and work is done with providers on service integration and linking with hospital services. There have been 831 individuals in 284 whanau referred to the TAWO programme. 787 whanau goals were identified and, by 30 June 2014, 295 have been achieved.

WOKT is in its second year of delivery. In WOKT, development consultation occurred on all marae throughout Ngati Tuwharetoa to gauge whanau ideas and needs in regard to the Whanau Ora programme. WOKT has provided reporting to Te Puni Kokiri and Lakes DHB confirming that governance, infrastructure, provider development and recruitment has been completed (the chair of WOKT is also the chair of the Lakes DHB Tuwharetoa iwi governance body) and service delivery has commenced. 87 individuals in 52 whanau have been referred to the programme. Reporting from both collectives indicates whanau are benefitting from the whanau ora service delivery model with full reports available from Te Puni Kokiri.

Reducing Inequalities

Lakes DHB continues to focus on "reducing inequalities" and "achieving health equity". Over the year 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 and

areas of disparity and a specific disparity table, highlighting the main areas of health target disparity (Maori v non Maori) has been included in the 2014/15 Annual Plan, to ensure this focus continues. The Maori health and planning and funding teams are working on specific initiatives and these have been outlined in “He Maheretanga Hauora Maori” the Lakes DHB Maori Health Plan.

Iwi Governance

Lakes DHB has two iwi governance bodies, Te Roopu Hauora o Te Arawa for the northern part of the district, and Te Nohanga Kotahitanga o Tuwharetoa, for the southern part. During the 2013/14 year discussion commenced as to how to operate the iwi governance structure in a way that is more efficient and also takes into account increased Midland iwi governance responsibilities.

Family Violence

During the 2013/14 year specific focus has been on supporting the Family Violence Intervention programme and the Shaken Baby training programmes all aimed to ensure our staff have a Maori perspective on reducing abuse. Regular family violence workshops took place across the sector in both the Rotorua and Taupo regions.

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 **2013/**14 Lakes DHB Quarter Four results.

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

Health Target	Long Term Target	Lakes 2013/14 target	Result	Status
	95 percent of patients will be admitted, discharged, or transferred from an Emergency Department (ED) within six hours.	95 percent	91 percent	NA
	Nationally, the volume of elective surgery will be increased by at least 4,000 discharges per year.	3659 total elective surgical discharges	4166 total elective surgical discharges	A
	All patients ready-for-treatment, wait less than four weeks for radiotherapy or chemotherapy.	100 percent	100 percent	A
	90 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 2014.	Total 90 percent	89 percent	NA
	95 percent of hospitalised patients who smoke and are seen by a health practitioner in public hospitals and 90 percent of enrolled patients who smoke and are seen by a health practitioner in General Practice are offered brief advice and support to quit smoking. Within the target a specialised identified group will include: Progress towards 90 percent 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.	Total 95 percent Total 90 percent	99 percent 78 percent	A NA
	90 percent of the eligible population will have had their cardiovascular risk assessed in the last five years	Total 90 percent	88 percent	NA

Lakes DHB Statement of Service Performance 2013/14

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 of the whole population or identifiable sub-populations and comprises services designed to enhance the health status of the population as 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. High need and at risk population groups are also more likely to engage in risky behaviours and to live in environments less conducive to making healthier choices. Prevention services represent our best opportunity to target improvements in the health of high need populations and to reduce inequalities in health status and health outcomes.

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 Maori health services, pharmacist services, community pharmaceuticals (the Schedule), 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 with treatment services focused on individuals in 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, more costly 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, rather than groups.

Rehabilitation and Support

Rehabilitation and support services are delivered following a ‘needs assessment’ process and coordination input by Needs Assessment and Service Coordination (NASC) services for a range of services including palliative care services, home-based support services and residential care services.

On a continuum of care these services provide support for individuals following a health-related event.

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

The target results are taken from the final quarter of the 2013/14 fiscal year. Where other data periods are used, these will be clearly noted.

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

1 Outcome: People are supported to take greater responsibility for their health

Impact	Baseline measure			Targets		
	Output Description		Base	2013/14	Result	Achieved / Not Achieved
Fewer people smoke	Percentage of hospitalised smokers offered advice to quit (Health Target)	Maori	100%	95%	100%	A
		Non-Maori	100%	95%	99%	A
		Total	100%	95%	99%	A
	Percentage of PHO enrolled smokers offered advice to quit (Health Target)	High Needs	Not Available	90%	79%	NA
		Total	63%	90%	78%	NA
	Percentage 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 (Health Target and Maori Health Plan)	Maori	New measure	90%	68%	NA
		Non-Maori	New measure	90%	77%	NA
		Total	New measure	90%	74%	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 since 2011, often returning a figure of 100%. 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, sudden unexplained death in infancy (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 78% of identified smokers were given advice against the national average of 86% across all 20 DHBs. Thus, the primary smoking target was not achieved. However, in order to improve this figure, Lakes DHB has provided extra resource into primary care to establish sustainable systems and processes to improve performance.

Impact	Baseline measure			Targets		
	Output Description		Base	2013/14	Result	Achieved / Not Achieved
Reduction in Vaccine Preventable Diseases	Percentage of eight-month-olds fully immunised (Health Target & Maori Health Plan)	Maori	75.6%[2]	90%	87%	NA
		Non-Maori	90.8%[3]	90%	93%	A
		Total	82.9%[4]	90%	89%	NA
	Percentage of the population >65 years who have received the seasonal influenza immunisation (PPP & Maori Health Plan)	High Needs	Not Available	67%	63%	NA
		Total	64.5%	67%	67%	A

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 DHBs and primary care working together to achieve a situation where 90 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 2014 and 95% by December 2014.

Older people and people with long term chronic health conditions are recognised as vulnerable populations to influenza flu epidemics which occur during the winter months and are related to an increase number of hospital admissions, general practice visits and risk of further long term effects or death.

Influenza vaccinations are offered to all over the age of 65 and more particularly encouraged for the older frailer population to be provided through primary care. The uptake depends on national and local public awareness marketing and primary care initiatives to contact eligible people with the greatest effect being when immunisation is undertaken in autumn, rather than winter.

Lakes DHB Performance

Lakes DHB did not achieve the 8 month immunisation target and in addition had a lower result for Maori. This is very disappointing and will require focused outcomes based initiatives in 2014/15 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.

[2] Baseline is 12 months to September 2012
[3] Baseline is 12 months to September 2012
[4] Baseline is 12 months to September 2012

- 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 do not 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.

Influenza immunisation during 2013/14 has seen an increase in uptake.

Impact	Baseline measure			Targets		
	Output Description		Base	2013/14	Result	Achieved / Not Achieved
Improving Health Behaviours	Percentage of priority schools engaged in the Health Promoting Schools programme[5]		31%	31%	30%	NA
	The number of people participating in the GRx (Green Prescription) programmes[6]	Maori		No target set	342	
		Non-Maori		No target set	445	
		Total		387	787	A

Significance of the Measure

Health Promoting Schools (HPS) is an approach where the whole school community works together to address the health and wellbeing of students, staff and their community. Schools include health and wellbeing in their planning and review processes, teaching strategies, curriculum and assessment activities.

The Green Prescriptions service is intended to introduce people identified at risk of long-term health conditions, through education and personal skills development, to improved physical activity levels and healthy nutrition to reduce the need for health service intervention. The programmes focus on self-management, as individuals and the family/whanau environment forms a proactive part of the systematic approach to management of Long Term Conditions (LTC) within the health service environment. Critically, the programme is focused on children 4 – 18 years and their family/whanau and has specific reference to obesity (weight control), high blood pressure, and depression/anxiety and pre diabetic prevalence present for the person.

Lakes DHB Performance

Green Prescriptions is a national programme and includes the following range of programmes in the Lakes region; `Active Living`, `Family Lifestyle Coach` and `Play in the Bay`. The performance is measured on volume targets and reported outcomes from participants by survey.

Referral volumes to the service record a high success rate for intervention with 43% Maori referrals into the programmes across the Rotorua, Taupo and Turangi regions. Consistent GP referrals reflected in coverage and a reported high engagement rate to programmes of 90% for referrals.

Programme outcomes rated from client feedback and monitoring fall into three main areas; increased activity (average 86%); changes in nutritional habits (44% positive change in weight) and the person adopting a greater awareness of self-improvement for key personal challenges with only 14% reporting no benefit.

GRx services are provided within Lakes DHB by Sport BOP for the Rotorua/northern Lakes district and Sport Waikato for Taupo/Turangi and southern Lakes.

[5] The Health Promoting School framework is used to address health issues with an approach based on activities within a school setting that can impact on health. 'Priority' schools are low decile, rurally located and/or have a high proportion of Maori and/or Pacific children

[6] A Green Prescription (GRx) is a health professional's written advice to a patient to be physically active, as part of the patient's health management

2 Outcome: People stay well in their homes and communities

Impact	Baseline measure		Targets		
	Output Description	Base	2013/14	Result	Achieved / Not Achieved
An improvement in childhood oral health	Percentage of children (0-4) enrolled in DHB funded dental services (PP13a)	57%	85%	60%	NA
	Percentage of enrolled pre-school and primary school children (0-12) overdue for their scheduled dental examination (PP13b)	11%	15%	12%	NA
	Percentage of adolescent utilisation of DHB funded dental services (PP12)	54%	85%	69%	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 fluoridated water.

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 health critical to our high need population. Moreover, it is preventable 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 the workforce targeting high needs areas.

A new born enrolment process has 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.

Titanium the electronic oral health record was implemented into the Community Oral Health Service in August 2014. While there will be an initial embedding in of this system, it is expected clinical efficiency to show significant improvement.

Impact	Baseline measure			Targets		
	Output Description		Base	2013/14	Result	Achieved / Not Achieved
Long-Term Conditions are Detected Early and Managed Well	Percentage of population enrolled with a PHO (Maori Health Plan)	Maori	100%	100%	100%	A
		Non-Maori	100%	100%	100%	A
		Total	100%	100%	100%	A
	Percent of the eligible population will have had their cardiovascular risk assessed in the last 5 years (Health Target & Maori Health Plan)	Maori	45.4%	90%	83%[7]	NA
		Non-Maori	61.3%	90%	90%	A
		Total	56.5%	90%	88%	NA
	Improve or, where high, use of Statins or Lipid lowering medications in people with diabetes and CVD risk ≥ 15%		Data not routinely reported			
	Percentage of eligible women (20-69) have a cervical cancer screen every 3 years (Maori Health Plan)	Maori	69.5%	75%	72%[8]	NA
		Non-Maori	85.2%	75%	81%	A
		Total	80.4%[9]	75%	78%	A
	Percentage of eligible women (50-69) have a breast screen in the last 2 years (Maori Health Plan)	Maori	57.7%	65%	63%[10]	NA
		Non-Maori	68.5%	65%	73%	A
		Total	65.8%[11]	65%	69%	A
	Primary Mental Health Initiative Packages of care (non-urgent) Average wait time from referral to first seen in days		21[12]	17 (reduced by 20%)	POC no longer delivered	
	Brief Intervention Counselling (non-urgent) Average wait time from referral to first seen in days		12	10 (reduced by 20%)	21	NA

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 peoples 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/Ministry of Health 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.

Given the disparity in the results above between Maori and non-Maori, Lakes DHB will continue to focus on achieving equitable outcomes along these measures.

[7] Based on an estimate from the 'high need' data category
[8] Based on an estimate from the 'high need' data category
[9] Data for the year ending September 2012
[10] Based on an estimate from the 'high need' data category
[11] Data for the year ending September 2012
[12] 6 month period to 31 December 2012

Lakes DHB Performance

Primary care enrolment with PHO for primary medical care is maximised, currently 35% of the enrolled population for Lakes is Maori, slightly below the percentage of Maori for total population of the region as a whole.

Cardio vascular disease (CVD) risk assessment has strongly improved in the last two quarters across the region by PHO/GP practice performance at 88% which is above the national average of 84%. While the figure is marginally below the national target of 90%, the result meets new PHO performance targets set within the Integrated Performance and Incentive Framework (IPIF) programme. Maintenance of current systematic activities within the Long Term Conditions (LTC) programmes in place in both the northern and southern Lakes areas showed that the national target was exceeded.

Diabetes is a condition of focus within LTC programmes with annual follow-up equalling the national target of 90% and exceeding the national average of 77%. `Diabetes Care Improvement Packages` within the PHO`s LTC programmes are actively involving the multi-disciplinary team from the clients medical home (GP) across the primary and secondary service continuum.

Cervical screening performance at the Lakes DHB level is marginally below the national target of 80% at 77.9%. The performance of the PHO `support to screening` services have maintained consistent improvement to meet PHO targets, however it is apparent that improvement in access is required for priority women, including Maori to meet targets of equity for access to early detection.

Breast screening coverage for women aged 50-69 over two years reached 69% which is just below the national target of 70% but still reflects the need to improve access to screening for priority women.

Lakes DHB s working in partnership with contracted primary care PHO services who deliver and manage LTC programmes that have built service capacity with clinical tools (Risk Assessment, Care Planning and Care Co-ordination), multi-disciplinary teams (MDT) involvement and additional services such as nutrition and exercise programmes which focus people on self-management and co-ordinated support to deal with their long term conditions.

Brief intervention counselling is delivered by several service providers, aimed at different age groups and using different models. The average wait time for a young person referred to a youth based service is three days, whereas an adult referred to a GP-based clinic has an average wait of 36 days.

Impact	Baseline measure			Targets		
	Output Description		Base	2013/14	Result	Achieved / Not Achieved
Fewer People are Admitted to Hospital for Avoidable Conditions	Percentage of Rest Home residents receiving vitamin D supplement from their GP		75%	75%	81%	A
	Percentage of all Emergency Department presentations who are triaged at levels 4&5		58%[13]	55%	52%	A
	Percentage of eligible population who have had their B4 school checks completed	High Needs	88%	90%	90%	A
		Total	89%	90%	91%	A
	Three year average hospitalisation rates per 100,000 for acute rheumatic fever	Maori				
		Non-Maori				
		Total	8.1[14]	7.3	6.6[15]	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.

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 the 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 Maori, 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.

[13] Source: Lakes DHB Patient Database
[14] Ethnic split not reported as number of cases too small
[15] Data is for the three years to June 30, 2014

Vitamin D supplements for vulnerable older people living in age related residential care facilities is a key intervention. 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. The 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 with the services then looking 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 90% B4 School target for 2013/14. This is a significant achievement in a high deprivation population due to the difficulty in finding 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 vitamin D 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 with the final result being 81%.

Impact	Baseline measure		Targets		
	Output Description	Base	2013/14	Result	Achieved / Not Achieved
More People Maintain their Functional Indepen-dence	Percentage of older people receiving long-term home support who have had a comprehensive clinical assessment and a completed care plan in the last 12 months	95%	100%	99%	NA
	Reduce avoidable admissions to hospital services from ARC facility		Reduce 10%		Data not available
	Implement education programme for people with dementia and carers	Not Available	3	4	A
	Increase access to assessment / service co-ordination and ongoing single point of contact for people with dementia	105	145	172[16]	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.

[16] Estimate from InterRAI database

The 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 and flexible and responsive to the person's (and carer's) 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 the 2014/15 year and will include a review of the way that these services are funded.

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.

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 the standardised comprehensive geriatric assessment tool for the past six to seven years for all older people requiring community support. In the last 12 months, more accurate information has been available which identified a number of assessments that had not been completed using interRai tools. Additional resources have been provided to the NASC and a review of June data indicate that 99% of people are receiving services based on an interRAI assessment. InterRAI assessments are also used for all people being discharged from hospital and needing short term support in the recovery period.

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 2014/15 as will be our intention to capture all data relating to primary mental health activity from DHB as well as PHO-led services.

3 Outcome: People receive timely and appropriate specialist care

Impact	Baseline measure		Targets		
	Output Description	Base	2013/14	Result	Achieved / Not Achieved
People Receive Prompt and Appropriate Acute and Arranged Care	Acute re-admission rate	11.7%	≥6.6%	11.38%	NA
	Acute Inpatient average length of stay (Ownership Dimension 3	3.86	4.12	2.20	A
	Elective Inpatient average length of stay (Ownership Dimension 3)	3.86	3.21	1.02	A
	Percentage of patients who require radiation or chemotherapy are treated with 4 weeks (Health Target)	100%	100%	100%	A
	Faster Cancer Treatment – Proportion of patients with a confirmed diagnosis of cancer who receives their first cancer treatment with 31 days	New measure	50%	100%	A
	Arranged caesarean deliveries without catastrophes or severe complications as a percentage of total births	16%	15%	11%	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 occurs.

The risk of delay is minimised by the 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 DHB has achieved the desired target in all areas of acute care for 2013/14.

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

The development of a Faster Cancer Treatment data base and tracking processes are well established and linked to the Midland Cancer Network regional project work.

Impact	Baseline measure		Targets		
	Output Description	Base	2013/14	Result	Achieved / Not Achieved
People Have Appropriate Access to Elective Services	Percentage of patients waiting longer than five months for their first specialist assessment (Elective Service Performance Indicator 2)	0	0	0	A
	Number of surgical discharges under the elective initiative (Health Target)	4209	3659	4166	A
	Did-not-attend percentage for outpatient services (Maori Health Plan)	13.8%	13.0%	10.8%	A
	Output volumes are within 5% of those planned for inpatient and patient services (Output Dimension1)	Yes	Yes	Yes	A

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 place for 2013/14. Where specialist treatment lay outside of the secondary skill set of our DHB, appropriate referrals to tertiary hospitals were made.

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 expectations and guidelines. No patient has had 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 2013/14. Theatre utilisation continued to meet the target enabling a satisfactory workflow and throughput during 2013/14.

Impact	Baseline measure				Targets		
	Output Description			Base	2013/14	Result	Achieved / Not Achieved
Improved Health Status for those with Severe Mental Illness and/or addictions	Percentage of people referred for non-urgent mental health or addiction services are seen within 3 weeks (Policy Priority 8)	0-19 yr olds	Maori				
			Non-Maori				
			Total	33.9%[17]	80%	86%	A
		20-64 yr olds	Maori				
			Non-Maori				
			Total	56.6%[18]	80%	68%	NA
		65+ yr olds	Maori				
			Non-Maori				
			Total		80%	50%	NA
	Improving the percentage of long-term child clients with up to date relapse prevention / treatment plans (PP7)	<20 yr olds[19]	Maori	100%	95%	33%	NA
			Non-Maori	100%	95%	82%	NA
			Total	100%	95%	76%	NA
		20+ yr olds (with addictions)	Maori	100%	95%	100%	A
			Non-Maori	100%	95%	100%	A
			Total	100%	95%	100%	A
		20+ yr olds (without addictions)	Maori	94%	90%	100%	A
			Non-Maori	98%	90%	100%	A
			Total	96%	90%	100%	A
	Average length of acute inpatient stays (KPI 8)			3.76%[20]	3.65%	6.31%	NA
	Rates of post-discharge community care (KPI 18)			65%[21]	68%	48%	NA

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

Considerable work continued to occur to enable Lakes DHB to meet its targets for mental health and addiction services.

Reporting against the measures has been affected in part by the relatively small numbers of under 20 year olds (relapse prevention plans), limitation of wait time data to 10 months of information for the year, and significant issues with data quality.

Long stay inpatients impact on the average length of stay which, as an indicator, is a broader reflection of the increasing complexity and/or risk that people are presenting with. The high level of support required by these individuals was unable to be catered for within the constraint of existing service delivery.

[17] Baseline is 12 months to September 2012
[18] Baseline is 12 months to September 2012
[19] Baseline data for Mental Health - Lakes DHB Patient Database 6 months to December 31, 2012
[20] 12 months to September 30, 2012
[21] 20101/11 data

Impact	Baseline measure		Targets		
	Output Description	Base	2013/14	Result	Achieved / Not Achieved
More People With End Stage Conditions are Supported Appropriately	Increase referrals to specialist palliative care medical services in Rotorua	282	10%	Referrals increased by 6%	NA

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.

Lakes DHB Performance

Both specialist palliative care services provided through hospice report a slight increase in the number of referrals from the previous year. The percentage of people who have non cancer related palliative needs continues to be around 40% (43.6% in 2013/14).

Both services report that the complexity of client need has increased in recent years as palliative oncology treatments improve, we have more patients undergoing palliative radiotherapy and chemotherapy for symptom control (mostly pain management) than ever before, which brings its own set of issues /side effects. Aside from physical side effects that our nursing team address, the treatment is mostly in Waikato Hospital so care coordination needs between services have needed to increase. Many families also need help and advice with transport, accommodation, finance, mountains of paperwork from our social worker especially if they live alone of have an infirm spouse.

The service change in Taupo with the transfer of palliative care from district nursing to Lake Taupo hospice nursing team has seen an increase in the percentage of people dying at home (44% of client group) and a reduction in avoidable hospital admissions. In addition the length of stay has increased by an average of 43 days for cancer patients and 31 days for non-cancer. This may be because palliative patients are living longer post diagnosis or just being admitted in a more timely manner and Liverpool Care Pathway has significantly improved end of life care in age related residential facilities with less referrals from them than we did five years ago. It is also unusual for an ARC resident to die in hospital.

The specialist palliative care providers, along with other providers of palliative care are continuing to meet regularly to implement the actions outlined in the Lakes Adult Palliative Care Work Plan and are also linked with the Midland Cancer Network – palliative care team and the Midland and the Lakes Palliative and Cancer services forums. Collaborative work has begun to develop a Lakes paediatric palliative care clinical pathway for children and families that will involve Lakes paediatric team taking clinical lead and working closely with the specialist paediatric palliative care team of Starship and the local specialist palliative care teams through hospice.

Impact	Baseline measure				Targets		
	Output Description			Base	2013/14	Result	Achieved / Not Achieved
Support Services	Radiology – Improved wait times for diagnostic services – accepted referrals for CT and MRI receive their scan within 6 weeks			CT MRI	75% 75%	58.7% 69.5%	NA NA
	Laboratory turn-around time indicators (quality indicator)	Community	All routine community <48 hours		≥95%	100%	A
			Urgent community <2 hours		≥95%	97%	A
			Histology ≤72 hours		≥90%	95%	A
		Hospital	Acute <2 hours		≥95%	94.25%	NA
			Non acute <4 hours		≥90%	96%	A
	Number of community pharmacy prescriptions				1,331,135	944,225	A

Significance of the Measure

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.

The Community Pharmacy Services Agreement (CPSA) is intended to improve and integrate pharmacy dispensing into a medication management approach within the persons medical care team. The primary response this year has been the identification of clients with Long Term Conditions (LTC) who are registered into a pro-active monitoring programme with the pharmacy.

The key impact sought has continued to be a reduction in repeat dispensing although it is acknowledged there has also been growth in initial dispensing to better manage medicines adherence.

Lakes DHB Performance

Community Pharmacy Services has consolidated the planned reduction in repeat prescriptions evidenced within a further reduction in the total number of prescriptions by 29%.

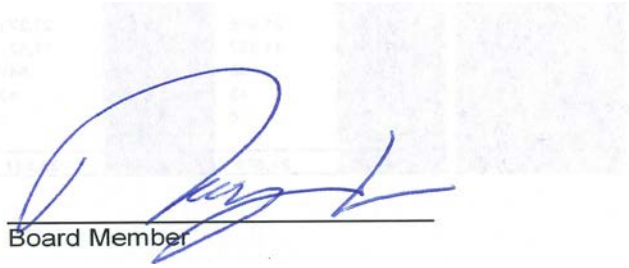
Community pharmacies in the Lakes region have adopted the national approach for improved medicine management and have actively registered clients with adherence to medication issues within their Long Term Conditions (LTC) programme for regular clinical management. Lakes DHB pharmacies have registered a total of 2999 people during the 2013/14 year.

Statement of Responsibility for the Year Ended 30 June 2014

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.

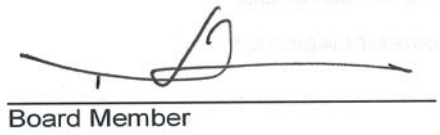
2 The Board and management of Lakes District Health Board accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non financial reporting.

3 In the opinion of the Board and management of Lakes District Health Board the financial statements for the year ended 30 June 2014 fairly reflect the financial position and statement of service performance of Lakes District Health Board.



Board Member

17 October 2014



Board Member

17 October 2014

Report of the Audit Office

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 2014

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 55 to 106, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of accounting policies for the year ended on that date and the notes to the financial statements that include other explanatory information; and
- the performance information of the Health Board and group on pages 34 to 49 that comprises the statement of service performance, which includes outcomes.

Unmodified opinion on the financial statements

In our opinion the financial statements of the Health Board and group on pages 55 to 106:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Health Board and group's:
  - financial position as at 30 June 2014; and
  - financial performance and cash flows for the year ended on that date.

Qualified opinion on the performance information

Reasons for our qualified opinion

Performance information from third-party health providers

Some significant performance measures of the Health Board and group, (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 and group'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

During our audit of performance information we could not obtain sufficient appropriate audit evidence to support the times recorded by the Health Board for discharging patients from the emergency department. As a result, we cannot verify the performance reported by the Health Board for the national health target for shorter stays in emergency departments. The performance could be misstated, but we cannot quantify the extent of any misstatement.

Comparative information

Our audit opinion on the performance information of the Health Board and group for the year ended 30 June 2013, which is reported as comparative information, was qualified for the same reasons.

Qualified opinion

In our opinion, except for the effect of the matters described in the "Reasons for our qualified opinion" above, the performance information of the Health Board and group on pages 34 to 49:

- 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 2014, 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 17 October 2014. 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 preparation of the Health Board and group's 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 performance information involved evaluating:

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

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

We have obtained all the information and explanations we have required about the financial statements. However, as referred to in our qualified opinion, we did not obtain all the information and explanations we required about the performance information of the Health Board and group. 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 the Health Board and group's 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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Lakes DHB Group Budget 2014 $000	Lakes DHB Group Actual 2014 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Actual 2014 $000	Lakes DHB Actual 2013 $000
Income						
Revenue	1	316,386	315,952	310,624	315,301	310,170
Other operating revenue	2	4,106	4,227	4,646	5,160	4,807
Gains	3	0	51	18	51	18
Finance income	4	368	836	874	786	831
Total income		320,860	321,066	316,162	321,298	315,826
Expenditure						
Personnel costs	5	99,083	98,766	95,113	98,766	95,113
Depreciation and amortisation expense	12, 13	11,052	10,127	9,646	10,127	9,646
Other operating expenses	6	201,764	200,490	204,373	200,042	204,637
Finance costs	4	2,839	2,452	2,305	2,452	2,305
Capital charge	23	6,526	6,511	6,545	6,511	6,545
Total operating expenditure		321,264	318,346	317,982	317,898	318,246
OPERATING SURPLUS/(DEFICIT) BEFORE TAX		(404)	2,720	(1,820)	3,400	(2,420)
Share of associate surplus/(deficit)	7	404	(40)	40	19	0
SURPLUS/(DEFICIT) BEFORE TAX		0	2,680	(1,780)	3,419	(2,420)
Income tax expense		0	0	0	0	0
SURPLUS/(DEFICIT) AFTER TAX		**0**	**2,680**	**(1,780)**	**3,419**	**(2,420)**
OTHER COMPREHENSIVE INCOME						
Gains on property revaluations	19	0	0		0	
Cash flow hedges	19	0	948	1,053	948	1,053
Total other comprehensive income		**0**	**948**	**1,053**	**948**	**1,053**
TOTAL COMPREHENISVE INCOME		**0**	**3,628**	**(727)**	**4,367**	**(1,367)**

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 2014

	Notes	Lakes DHB Group Budget 2014 $000	Lakes DHB Group Actual 2014 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Actual 2014 $000	Lakes DHB Actual 2013 $000
BALANCE AT 1 JULY		82,904	82,702	83,730	79,357	81,025
Capital contribution from the Crown		0	0	0	0	0
Repayment of capital to the Crown		(301)	(301)	(301)	(301)	(301)
Total comprehensive income		0	3,628	(727)	4,367	(1,367)
BALANCE AT 30 JUNE	19	**82,603**	**86,029**	**82,702**	**83,423**	**79,357**

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 2014

	Notes	Lakes DHB Group Budget 2014 $000	Lakes DHB Group Actual 2014 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Actual 2014 $000	Lakes DHB Actual 2013 $000
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	8	659	9,659	9,915	8,191	7,606
Debtors and other receivables	9	8,436	8,087	9,205	8,015	9,282
Inventories	10	2,022	2,006	2,057	2,006	2,057
TOTAL CURRENT ASSETS		11,117	19,752	21,177	18,212	18,945
NON - CURRENT ASSETS						
Property, plant and equipment	12	148,481	146,331	145,488	146,331	145,488
Intangible assets	13	6,592	2,823	2,444	2,823	2,444
Investments in associates	7	2,263	0	60	0	1
Investments in joint ventures	14	904	1,141	1,175	0	0
TOTAL NON - CURRENT ASSETS		158,240	150,295	149,167	149,154	147,933
TOTAL ASSETS		**169,357**	**170,047**	**170,344**	**167,366**	**166,878**
LIABILITIES						
CURRENT LIABILITIES						
Creditors and other payables	15	15,417	15,199	19,728	15,124	19,607
Employee entitlements	16	13,243	13,086	12,198	13,086	12,198
Borrowings	17	878	6,687	6,623	6,687	6,623
Provisions	18	0	65	35	65	35
Derivative financial instruments	11	0	72	86	72	86
TOTAL CURRENT LIABILITIES		29,538	35,109	38,670	35,034	38,549

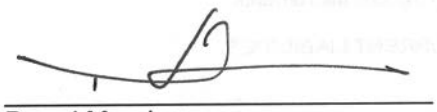
The accompanying accounting policies and notes form part of these financial statements

	Notes	Lakes DHB Group Budget 2014 $000	Lakes DHB Group Actual 2014 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Actual 2014 $000	Lakes DHB Actual 2013 $000
NON CURRENT LIABILITIES						
Employee entitlements	16	2,584	2,407	2,615	2,407	2,615
Borrowings	17	51,759	45,702	44,623	45,702	44,623
Derivative financial instruments	11	2,873	800	1,734	800	1,734
TOTAL NON CURRENT LIABILITIES		57,216	48,909	48,972	48,909	48,972
TOTAL LIABILITIES		**86,754**	**84,018**	**87,642**	**83,943**	**87,521**
NET ASSETS		**82,603**	**86,029**	**82,702**	**83,423**	**79,357**
EQUITY						
Crown equity	19	20,989	20,994	21,295	20,989	21,290
Other reserves	19	44,032	46,034	45,086	46,034	45,086
Retained earnings/(losses)	19	16,444	18,009	15,344	16,400	12,981
Trust funds	19	1,138	992	977	0	0
TOTAL EQUITY		**82,603**	**86,029**	**82,702**	**83,423**	**79,357**

For and behalf of the Board

Board Member

17 October 2014



Board Member

17 October 2014

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 2014

	Notes	Lakes DHB Group Budget 2014 $000	Lakes DHB Group Actual 2014 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Actual 2014 $000	Lakes DHB Actual 2013 $000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Receipts from MOH and patients		321,002	321,367	314,842	320,898	314,639
Dividend received		0	0	0	900	0
Interest received		368	836	874	786	831
		321,370	322,203	315,716	322,584	315,470
Cash was applied to:						
Payments to suppliers		203,693	204,457	206,953	204,008	207,538
Payments to employees		98,772	98,086	94,411	98,086	94,411
Interest paid		2,839	2,452	2,305	2,452	2,305
ACC Partnership Programme Payments		51	159	107	159	107
Distribution to owners: capital charge		6,526	6,511	6,545	6,511	6,545
GST (net)		112	35	(266)	23	(252)
		311,993	311,700	310,055	311,239	310,654
Net cash flows from operating activities	**20**	9,377	10,503	5,661	11,345	4,816
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		10,567	10,692	18,509	10,692	18,509
Purchase of intangible assets		3,214	909	164	909	164
		13,781	11,601	18,673	11,601	18,673
Net cash flows from investing activities		(12,281)	(11,601)	(18,673)	(11,601)	(18,673)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from:						
Proceeds from finance lease liabilities		1,441	1,143	284	1,142	284
Proceeds from CHFA loans		0		4,565	0	4,565
Proceeds from shareholder capital injection		0		0	0	0
Cash was applied to:						
Repayments of shareholder capital		(301)	(301)	(301)	(301)	(301)
Repayments - other		0		0		0
Net cash flows from financing activities		1,140	842	4,548	841	4,548
Net increase/(decrease) in cash, and cash equivalents		**(1,764)**	**(256)**	**(8,464)**	**585**	**(9,309)**
Cash and cash equivalents at beginning of year		2,423	9,915	18,379	7,606	16,915
Cash and cash equivalents at end of year	**8**	**659**	**9,659**	**9,915**	**8,191**	**7,606**

During the period Lakes DHB acquired property, plant and equipment totaling $1,966k (2013: $984k) 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 2014

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, 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 2014, and were approved by the Board on 17 October 2014.

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 will transition to the new standards in preparing its 30 June 2015 financial statements. There is not expected to be any material implications of the new Accounting Standards Framework on lakes DHB.

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

Lakes DHB is required under the Crown Entities Act 2004 to prepare consolidated financial statements in relation to the group for each financial year. 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, included within 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
- 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 follows:

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
Other 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 have 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 have 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 DHBs

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 drivers for allocation of indirect costs

The cost of internal services not directly charged to outputs is allocated as overheads using appropriate cost drivers such as 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 assets 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 past assumptions concerning useful lives and residual values.

Critical judgements 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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
MOH contracted revenue	293,477	288,357	293,477	288,357
Other Government revenue	3,488	3,032	3,488	3,032
Inter-DHB revenue	15,862	16,788	15,862	16,788
ACC revenue	3,125	2,447	2,474	1,993
Total revenue	**315,952**	**310,624**	**315,301**	**310,170**

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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Sale of goods	452	501	452	501
Rendering of services	3,222	2,988	3,222	2,962
Dividend income	0	0	900	0
Donations and bequests received	179	630	171	817
Other	374	527	415	527
Total other operating revenue	**4,227**	**4,646**	**5,160**	**4,807**

3. GAINS

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Non-financial instruments				
Property, plant, and equipment gains on disposal	51	18	51	18
Total gains	**51**	**18**	**51**	**18**

4. FINANCE INCOME AND FINANCE COSTS

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Finance income				
Interest income:				
Term and call deposits	836	874	786	831
Total finance income	**836**	**874**	**786**	**831**
Finance costs				
Interest expense:				
Interest on finance leases	86	75	86	75
Interest on borrowings	2,366	2,230	2,366	2,230
Total finance costs	**2,452**	**2,305**	**2,452**	**2,305**

5. PERSONNEL COSTS

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Salaries and wages	96,158	93,045	96,158	93,045
Defined contribution plan employer contributions	1,928	1,366	1,928	1,366
Increase/(decrease) in employee entitlements/liabilities	680	702	680	702
Total personnel costs	**98,766**	**95,113**	**98,766**	**95,113**

6. OTHER OPERATING EXPENSES

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Fees to auditor:				
fees to Audit New Zealand for audit of financial statement	117	123	110	116
fees to Audit New Zealand for other services	0	0	0	0
ACC Partnership Programme (note 18)	189	99	189	99
Board of director fees (note 24)	248	259	248	259
Inventory consumption	0	6	0	6
Impairment of receivables (note 9)	13	26	13	26
Loss on disposal of property, plant, and equipment	78	47	78	47
Minimum lease payments under operating leases	634	778	634	778
(Increase)/decrease in provisions (note 18)	30	(8)	30	(8)
Restructuring expenses	0	71	0	71
Other operating expenses	199,181	202,972	198,740	203,243
Total other expenses	**200,490**	**204,373**	**200,042**	**204,637**

7. INVESTMENTS IN ASSOCIATES

a) General Information

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

Lakes Ophthalmic Services Ltd ceased trading on 30 June 2013 and was wound up in 2014. Lakes DHB received its final distribution on 26 June 2014.

	Lakes DHB	
	Actual 2014 $000	Actual 2013 $000
Investment in Lakes Ophthalmic Services Ltd	0	1

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

Lakes Ophthalmic Services Ltd was 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 2014 $000	Actual 2013 $000
Assets	0	416
Liabilities	0	265
Revenues	0	2,450
Surplus/(deficit)	0	111
Group's interest	0%	50%

c) Share of profit of associate company

	Lakes DHB Group	
	Actual 2014 $000	Actual 2013 $000
Share of profit/(loss) before tax	0	56
Less: tax expense	0	(16)
Prior period adjustment	0	0
Share of profit/(loss) after tax	**0**	**40**

d) Investment in associate company

	Lakes DHB Group	
	Actual 2014 $000	Actual 2013 $000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	60	21
New investments during the year	0	0
Disposal of investments during the year	(1)	0
Share of total recognised revenues and expenses	(39)	39
Share of dividend	(20)	0
Balance at 30 June	**0**	**60**

e) Associates contingencies

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

8. CASH AND CASH EQUIVALENTS

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Cash at bank and in hand	577	1,488	(14)	-21
Term deposits with maturities less than three months	800	800		0
Loan to HBL	8,282	7,627	8,205	7,627
Cash and cash equivalents in the statement of cash flows	**9,659**	**9,915**	**8,191**	**7,606**

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 $990,996 (2013: $1,010,393).

9. DEBTORS AND OTHER RECEIVABLES

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Debtors and receivables due from related parties (see note 23)	70	59	152	237
Debtors and receivables from non-related parties	7,409	8,768	7,255	8,667
Prepayments	669	438	669	438
	8,148	9,265	8,076	9,342
Less provision for impairment	(61)	(60)	(61)	(60)
Total debtors and other receivables	**8,087**	**9,205**	**8,015**	**9,282**

Fair Value

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

Impairment

As of 30 June 2014 and 2013, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Actual 2014 Gross $000	Actual 2013 Gross $000	Actual 2014 Impairment $000	Actual 2013 Impairment $000
Lakes DHB				
Not past due	7,553	7,322	0	0
Past due 1 - 60 days	155	1,853	0	(16)
Past due 61 - 90 days	94	11	(35)	(8)
Past due > 90 days	274	156	(26)	(36)
Total	**8,076**	**9,342**	**(61)**	(60)
Lakes DHB Group				
Not past due	7,625	7,025	0	0
Past due 1 - 60 days	155	2,073	0	(16)
Past due 61 - 90 days	94	11	(35)	(8)
Past due > 90 days	274	156	(26)	(36)
Total	**8,148**	**9,265**	**(61)**	(60)

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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Individual impairment	61	60	61	60
Collective impairment	0	0	0	0
Total provision for impairment	**61**	**60**	**61**	**60**

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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Past due 1 - 60 days	0	3	0	3
Past due 61 - 90 days	35	18	35	18
Past due > 90 days	26	39	26	39
Total individual impairment	**61**	**60**	**61**	**60**

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

	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
At 1 July	60	34	60	34
Additional provisions made during the year	50	45	50	45
Provisions reversed during the year	(36)	(18)	(36)	(18)
Receivables written off during period	(13)	(1)	(13)	(1)
At 30 June	**61**	**60**	**61**	**60**

10. INVENTORIES

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Pharmaceuticals	315	292	315	292
Surgical and medical supplies	853	914	853	914
Other supplies	838	851	838	851
Total inventories	**2,006**	**2,057**	**2,006**	**2,057**

The carrying amount of inventories pledged as security for liabilities is $Nil (2013: $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 2014 amounted to $2,006 (2013: $2,057).

The write down of inventories held for distribution because of a loss in service potential amounted to $Nil (2013: Nil). There have been no reversals of write downs (2013: 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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Current liability portion				
Interest rate swaps - cash flow hedges	72	86	72	86
Total current liability portion	72	86	72	86
Non - current liability portion				
Interest rate swaps - cash flow hedges	800	1,734	800	1,734
Total non - current liability portion	800	1,734	800	1,734
Total derivative financial instrument liabilities	**872**	**1,820**	**872**	**1,820**

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 $24 million (2013: $30 million).

At 30 June 2014, the fixed interest rate of cash flow hedge interest rate swaps varied from 5.23% to 5.66% (2013: 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 2014 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 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**
Balance at 1 July 2013	5,280	120,710	27,220	3,397	7,543	2,301	3,929	7,674	178,054
Additions	0	21	1,640	214	536	27	1,697	6,471	10,606
Disposals	0	(90)	(2,247)	(236)	(491)	(102)	(410)	0	(3,576)
PPE Class Transfers	0	9413	452	97	80	394	0	(10,567)	(131)
Revaluations	0	0	0	0	0	0	0	0	0
Balance at 30 June 2014	**5,280**	**130,054**	**27,065**	**3,472**	**7,668**	**2,620**	**5,216**	**3,578**	**184,953**

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 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)**
Depreciation and Impairment charges									
Balance at 1 July 2013	0	(4,478)	(17,896)	(1,839)	(5,748)	(1,210)	(1,395)	0	(32,566)
Depreciation charge for the year	0	(5,108)	(2,486)	(269)	(696)	(163)	(742)	0	(9,464)
Disposals	0	34	2225	233	488	93	335	0	3,408
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 2014	**0**	**(9,552)**	**(18,157)**	**(1,875)**	**(5,956)**	**(1,280)**	**(1,802)**	**0**	**(38,622)**
Carrying amounts									
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**
At 1 July 2013	5,280	116,232	9,324	1,558	1,795	1,091	2,534	7,674	145,488
At 30 June 2014	**5,280**	**120,502**	**8,908**	**1,597**	**1,712**	**1,340**	**3,414**	**3,578**	**146,331**

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 2014, the net carrying amount of leased vehicles was $815,476 (2013: $790,249). 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 2014, the net carrying amount of building leasehold improvements was $899,324. (2013: $976,760).

Lakes DHB Group leases IT equipment under a finance lease agreement. At 30 June 2014, the net carrying amount of leased IT equipment was $779,371 (2013: $744,465). 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 2014

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 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**
Balance at 1 July 2013	5,895	0	5,895
Additions	909	0	909
Disposals	(4)	0	(4)
Work in progress	0	0	0
Transfer to other classes	131	0	131
Balance at 30 June 2014	**6,931**	**0**	**6,931**
Accumulated amortisation and impairment losses			
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)**
Balance at 1 July 2013	(3,451)	0	(3,451)
Amortisation expense	(661)	0	(661)
Impairment losses	0	0	0
Disposals	4	0	4
Transfer from other classes	0	0	0
Balance as at 30 June 2014	**(4,108)**	**0**	**(4,108)**
Carrying amounts			
At 1 July 2012	3,020	0	3,020
At 30 June 2013	**2,444**	**0**	**2,444**
At 1 July 2013	2,444	0	2,444
At 30 June 2014	**2,823**	**0**	**2,823**

Lakes DHB Group leases Computer Hardware under a finance lease agreement which includes a component of computer software. At 30 June 2014, the net carrying amount of leased computer software was $10,002 (2013: $15,317). 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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
	220	195	0	0

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

	Lakes DHB Group	
	Actual 2014 $000	Actual 2013 $000
Current assets	2,636	2,500
Non - current assets	2,906	666
Current liabilities	3,692	2,195
Non - current liabilities	750	0
Income	7,689	7,646
Expenses	7,560	6,865
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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
	921	980	0	0

14. INVESTMENT IN JOINT VENTURES

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

	Lakes DHB Group Actual 2014 $000	Actual 2013 $000
Current assets	1,488	1,357
Non - current assets	1,770	1,967
Current liabilities	1,416	1,364
Non - current liabilities	0	0
Income	8,375	8,652
Expenses	8,182	7,959
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 Actual 2014 $000	Actual 2013 $000	Lakes DHB Actual 2014 $000	Actual 2013 $000
Trade payables and expenses	12,046	16,482	11,980	16,385
Amounts due to related parties (note 23)	106	70	106	70
Income in advance relating to contracts with specific performance obligations	23	7	23	7
Capital charge due to the Crown	0	0	0	0
ACC Levy payable	459	600	459	600
GST, PAYE, and FBT payable	2,565	2,569	2,556	2,545
Total trade and other payables	**15,199**	**19,728**	**15,124**	**19,607**

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 Actual 2014 $000	Actual 2013 $000	Lakes DHB Actual 2014 $000	Actual 2013 $000
Current liabilities				
Retirement gratuities	139	143	139	143
Long service leave	149	89	149	89
Sabbatical leave	87	99	87	99
Annual leave	7,645	7,434	7,645	7,434
Sick leave	42	43	42	43
Continuing medical education (CME) leave	659	557	659	557
Continuing medical education (CME) expenses	1,566	1,383	1,566	1,383
Accrued salary and wages	2,799	2,450	2,799	2,450
Total current portion	13,086	12,198	13,086	12,198
Non - current liabilities				
Retirement gratuities	352	361	352	361
Long service leave	1,501	1,597	1,501	1,597
Sabbatical leave	554	657	554	657
Total non - current portion	2,407	2,615	2,407	2,615
Total employee entitlements	**15,493**	**14,813**	**15,493**	**14,813**

17. BORROWINGS

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Current				
Finance leases	687	623	687	623
Ministry of Health Loans	6,000	6,000	6,000	6,000
Total current portion	6,687	6,623	6,687	6,623
Non current				
Finance leases	2,137	1,058	2,137	1,058
Ministry of Health Loans	43,565	43,565	43,565	43,565
Total non - current portion	45,702	44,623	45,702	44,623
Total borrowings	**52,389**	**51,246**	**52,389**	**51,246**

Security and terms

Crown sector

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

	Actual 2014 $000	Actual 2013 $000
Loan facility limits		
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 $49.43m (2013: $49.61m). Fair value has been determined using contractual cash flows discounted using a rate based on Government bond rates at balance date ranging from 3.17% to 4.73% (2013: 2.40% to 4.75%).

The MoH loans have maturity dates ranging from 2015 - 2023. 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 $13.647 million.

17. BORROWINGS (Continued)

Analysis of finance leases

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Total minimum lease payments are payable				
Not later than one year	843	680	843	680
Later than one year and not later than five years	1,948	1,096	1,948	1,096
Later than five years	610	0	610	0
Total minimum lease payments	3,401	1,776	3,401	1,776
Future finance charges	(577)	(95)	(577)	(95)
Present value of minimum lease payments	2,824	1,681	2,824	1,681
Present value of minimum lease payments payable				
Not later than one year	687	623	687	623
Later than one year and not later than five years	1,635	1,058	1,635	1,058
Later than five years	502	0	502	0
Total present value of minimum lease payments	2,824	1,681	2,824	1,681
Represented by:				
Current	687	623	687	623
Non-current	2,137	1,058	2,137	1,058
Total finance leases	**2,824**	**1,681**	**2,824**	**1,681**

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 2014 are with Toyota Financial Services. IT Finance Leases at 30 June 2014 are with CBA Asset Finance (NZ) Ltd. Medical Equipment Finance Leases at 30 June 2014 are with Allleasing New Zealand 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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Current provisions are represented by:				
ACC Partnership Programme	65	35	65	35
Total provisions	**65**	**35**	**65**	**35**

18. PROVISIONS (Continued)

Movements for each class of provision are as follows:

Lakes DHB and Group	ACC Partnership Programme Actual 2014 $000	ACC Partnership Programme Actual 2013 $000
Balance at 1 July	35	43
Additional provisions made	65	35
Amounts used	(35)	(43)
Unused amounts reversed	0	0
Balance at 30 June	**65**	**35**

ACC Partnership Programme

Risk Margin
Lakes DHB has assessed a risk margin of 10% (2013: 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 2014 (2013: 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 2014. The stop loss limit means Lakes DHB will only carry the total cost of claims of up to $500,920 (2013: $606,913) for the cover period between 1 April 2013 to 31 March 2014.

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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Crown equity				
Balance at 1 July	21,295	21,596	21,290	21,591
Contributions from the Crown	0	0	0	0
Repayments to the Crown	(301)	(301)	(301)	(301)
Balance at 30 June	20,994	21,295	20,989	21,290
Other reserves				
Asset revaluation reserves				
Balance at 1 July	46,906	46,906	46,906	46,906
Revaluation gains/(losses)				
- Land	0	0	0	0
- Buildings	0	0	0	0
Transfer of asset revaluation reserve to retained earnings on disposal of property				
- Land	0	0	0	0
- Buildings	0	0	0	0
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	(1,820)	(2,873)	(1,820)	(2,873)
Fair value gains/(losses) in the year	948	1,053	948	1,053
Reclassification to the surplus or deficit	0	0	0	0
Balance at 30 June	(872)	(1,820)	(872)	(1,820)
Total other reserves	46,034	45,086	46,034	45,086

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

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Balance at 1 July	15,344	17,143	12,981	15,401
Surplus(deficit) for year	2,665	(1,799)	3,419	(2,420)
Transfer to retained earnings of revaluation reserve on disposal of property	0	0	0	0
Balance at 30 June	18,009	15,344	16,400	12,981

Trust Funds

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Balance at 1 July	977	958	0	0
Transfer to retained earnings in respect of:				
Interest received	35	35	0	0
Donations and funds received	8	29	0	0
Transfer to retained earnings in respect of:				
Funds spent	(28)	(45)	0	0
Balance at 30 June	992	977	0	0
Total equity at 30 June	**86,029**	**82,702**	**83,423**	**79,357**

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 2014 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 2014.

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

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Surplus/(deficit) after tax	2,680	(1,780)	3,419	(2,420)
Add/(less) non-cash items:				
Depreciation and amortisation expense	10,127	9,646	10,127	9,646
Share of associate and joint venturer (surplus)/deficit	94	258	0	0
(Gains)/losses in fair value of investment property	0	0	0	0
	12,901	8,124	13,546	7,226
Add/(less) items classified as investing or financing activity:				
Net loss(gain) on disposal of property, plant and equipment	78	47	78	47
	78	47	78	47
Add/(Less) movements in working capital items:				
(Increase)/Decrease in debtors and other receivables	1,117	(446)	1,267	(356)
(Increase)/Decrease in inventories	50	(64)	51	(64)
Increase/(Decrease) in creditors and other payables	(4,353)	(2,694)	(4,307)	(2,731)
Increase/(Decrease) in employee entitlements	680	702	680	702
Increase/(Decrease) in provisions	30	(8)	30	(8)
	(2,476)	(2,510)	(2,279)	(2,457)
Net cash inflow/(outflow) from operating activities	**10,503**	**5,661**	**11,345**	**4,816**

21. CAPITAL COMMITMENTS AND OPERATING LEASES

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Capital commitments				
Property, plant and equipment	4,448	5,538	4,448	5,538
Intangible assets	2,578	1,379	2,578	1,379
Total capital commitments	**7,026**	**6,917**	**7,026**	**6,917**

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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Not later than one year	413	314	350	285
Later than one year and not later than five years	755	84	587	0
Later than five years	0	0		0
Total non-cancellable operating leases	**1,168**	**398**	**937**	**285**

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $Nil (2013: $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 2014, $633,547 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2013: $777,830).

21. CAPITAL COMMITMENTS AND OPERATING LEASES (Contined)

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 14). 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 30 June 2017.

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 30 June 2017.

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

	Lakes DHB Group		Lakes DHB	
	Actual 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Not later than one year	428	80	428	106
Later than one year and not later than five years	856	162	856	162
Later than five years	0	0	0	0
Total non-cancellable operating leases as lessor	**1,284**	**242**	**1,284**	**268**

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 2014 $000	Actual 2013 $000	Actual 2014 $000	Actual 2013 $000
Contract Disputes - non employment	215	0	215	0
Legal proceedings - employment	50	48	50	48
Total contingent liabilities	**265**	**48**	**265**	**48**

Contract Disputes - non employment

Lakes DHB is in dispute with the Microsoft Corporation in relation to the use of some Microsoft licences. It is possible Lakes DHB may need to pay penalties of $214,664, however the exact figure has yet to be determined.

Legal proceedings - employment

Lakes DHB Group has been notified of 2 potential employment claims as at 30 June 2014 (2013: 5). The claimants are seeking $50,000 in damages (2013: $48,000). 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 2014, the Scheme had a past service surplus of $16.187 million (8% of the liabilities). (2013: surplus of $17.404 million (7.7% 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.

22. CONTINGENCIES (Continued)

The actuarial valuation for the scheme as at 31 March 2014 had not been made available at 30 June 2014.

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.

Joint venture contingent liabilities
There are no contingent liabilities associated with HealthShare Ltd, or Laboratory Services Rotorua, or other activities of the Group (2013: $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 (2013: $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 (2013: $Nil).

Contingent assets
Lakes DHB Group has no contingent assets (2013: $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 2014 $000	Actual 2013 $000
Spectrum Health Ltd (Subsidiary)		
Services provided by Lakes DHB	1,180	467
Accounts payable to Lakes DHB	82	134
Accounts receivable from Lakes DHB	0	0
The Lakes District Health Board Trust (Subsidiary)		
Accounts payable to Lakes DHB	0	30
Lakes DHB Donations to Trust	0	0
Trust Donations to Lakes DHB	40	185
Trust Donations to Lakes DHB (assets)	0	12
Lakes Ophthalmic Services Ltd (Associate)		
Services provided to Lakes DHB	115	2,491
Accounts receivable from Lakes DHB	0	67
Services provided by Lakes DHB	96	378
Accounts payable to Lakes DHB	0	26
HealthShare Ltd (Joint Venture)		
Services provided to Lakes DHB	1,113	943
Accounts receivable from Lakes DHB	101	181
Services provided by Lakes DHB	59	0
Accounts payable to Lakes DHB	34	0
Laboratory Services Rotorua (Spectrum Joint Venture)		
Services provided to Lakes DHB	8,058	8,323
Accounts receivable from Lakes DHB	5	3
Services provided by Lakes DHB	577	478
Accounts payable to Lakes DHB	36	47

During 2013/14 Spectrum Health Limited received no drawings from its partnership current account with LSR (2013:$800,000).

During 2013/14 Lakes DHB received $900,000 in dividends from Spectrum Health Limited (2013: $0).

No provision has been raised, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2013: $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 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 $294 million (2013: $289 million) from the Ministry of Health to provide health services to the Lakes area in the year ended 30 June 2014.

23. RELATED PARTY TRANSACTIONS (Continued)

The amount outstanding at year end was $3.249 million (2013: $4.133 million).

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 2014 was 8.0% (2013: 8.0%). Based on its financial result, Lakes DHB paid $6,510,640 for the period ended 30 June 2014 (2013: $6,544,960). Of this amount $0 (2013: $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 no donations outstanding from The Lakes District Health Board Trust for the year ending 30 June (2013: $30,488). Lakes DHB received $40,589 in donations from The Lakes District Health Board Trust for the year ending 30 June 2014 (2013: $185,289) and donated assets of $nil (2013: $12,255). The Lakes District Health Board Trust received $Nil in donations from Lakes DHB (2013: $nil).

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	Total Receipts 30 June	Reference
Deryck Shaw	The NZ Maori Arts and Crafts Institute	Director	$0 (2013: $500)	$0 (2013: $0)	(i)
Deryck Shaw	Central Region's Technical Advisory Services Ltd	Director	$510,909 (2013: $73,469)	$0 (2013: $0)	(ii)
Alisa Gathergood	Waiora Community Trust (Taupo) Inc	Trustee	$357 (2013: $284)	$0 (2013: $0)	(iii)
Lyall Thurston	Bay of Plenty Regional Council	Councillor	$5,494 (2013: $5,864)	$0 (2013: $215)	(iv)
Margaret Bentley	Gardeners Landscape Supplies Ltd	Director/ Shareholder	$405 (2013: $0)	$0 (2013: $0)	(v)
Charles Sturt	Rotorua District Council	Councillor	$299,618 (2013: $169,424)	$0 (2013: $40)	(vi)
Ian McLean	Fletcher Construction Co Ltd	Shareholder	$6,286,125 (2013: 8,975,295)	$0 (2013: $0)	(vii)
Julie Calnan (term ended Dec 13)	Rotovegas Youth Health	Trustee	$930,189 (2013: $818,615)	$110 (2013: $200)	(viii)

Payments
(i) For selected purchases from retail shop
(ii) For provision of advisory services
(iii) For provision of community services
(iv) For provision of resource management charges
(v) For purchase of landscape supplies
(vi) For provision of property rates and trade waste services
(vii) For provision of construction services
(viii) For provision of community health services

Executive team members
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 $Nil (2013: $1,500).

Danny Loughlin (a Lakes DHB board member) was a director of Laboratory Services Limited and Lakes Ophthalmic Services Limited. Figures relating to these two entities have been disclosed on the previous page.

Alisa Gathergood (a Lakes DHB board member) is a trustee of Taupo Hospital and Health Society Incorporated. Taupo Hospital and Health Society donated $100,000 (2013: $750,000) towards the completion of the Taupo hospital upgrade.

Margaret Bentley's (a Lakes DHB board member) husband is an elected member of the Rotorua District Council. Figures relating to Rotorua District Council have been disclosed on the previous page.

Deryck Shaw (a Lakes DHB board member) was a board member of Waikato District Health Board until October 2013. Lakes DHB made payments to Waikato District Health Board of $28,432,442 (2013: $32,800,925) and received payment from Waikato District Health Board of $3,860,495 (2013: $5,081,082). At 30 June $72,335 (2013: $278,694) was owed to Waikato District Health Board and $139,931 (2013: 2,051) was owing from Waikato District Health Board.

Ron Dunham (executive team) was appointed on the boards of Health Benefit Limited and HealthShare Limited during the 2013/14 financial year. Lakes DHB made payments to Health Benefits Ltd of $1,634,305 (2013: $197,895) and received payment from Health Benefits of $17,672 (2013: $797). Figures relating to HealthShare Limited have been disclosed on the previous page.

Mary Smith (executive team) was a Trustee of Waiariki Institute of Technology during the 2013/14 year. Lakes DHB made payments to Waiariki Institute of Technology of $26,542 (2013: $923) and received payment from Waiariki Institute of Technology of $125,122 (2013: $164,555). $45,942 was owing from Waiariki Institute of Technology at the end of the financial year.

Dale Oliff (executive team) was a director of Lakes Ophthalmic Services Ltd. Figures for this entity have been disclosed on the previous page.

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 2014 $000	Actual 2013 $000
Salaries and other short term employee benefits	2,182	2,097
Post employment benefits	59	37
Other long term benefits	0	14
Termination benefits	0	0
Total key management personnel compensation	**2,241**	**2,148**

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 2014 and the amounts of remuneration were set by the Minister of Health.

	Board Fees 2014 $000	Board Fees 2013 $000
Deryck Shaw - Chair	46	45
Lyall Thurston - Deputy Chair	26	27
Mary Burdon	23	22
Julie Calnan **	10	22
Ailsa Gathergood	21	22
Danny Loughlin	24	23
Ian McLean	23	24
Tupara Morrison **	0	9
Merepeka Raukawa-Tait	21	21
Rob Vigor- Brown	22	23
Maureen Waaka **	0	21
Charles Sturt *	10	0
Tamapara Lloyd *	11	0
Margaret Bentley *	11	0
Total board remuneration	**248**	**259**

* Commenced term during 13/14
** Completed term during 13/14

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 (2013: Nil).

Non - board committee remuneration

The following people were non-board committee members during the twelve months ending 30 June 2014.

	Committee Fees 2014 $000	Committee Fees 2013 $000
Hospital Advisory Committee		
Rauroha Clarke **	0.0	1.0
Barabra Lovie **	1.3	2.2
Tongawhiti Manuirirangi **	1.3	2.3
Te Rau Morgan	2.0	1.0
Anahera Pedersen **	0.5	1.8
Julie Calnan **	1.0	0.0
David Honore *	1.3	0.0
Ned Wikaira *	1.3	0.0
Mark Arundel *	0.5	0.0
Ewan Wilson (Waikato DHB rep)	0.5	0.0
	9.7	8.3
Community and Public Health Advisory Committee		
Lawrence Croxson	1.5	1.8
Charles Eparaima **	0.8	1.5
Edna Issacs **	0.8	1.8
Katerina Pihera **	0.0	0.2
Sue Westbrook	1.0	0.5
Margaret Robbie *	0.5	0.0
Catriona Watson	0.5	0.0
Peri Marks *	0.5	0.0
Anahera Pedersen **	0.5	0.0
Jacob Te Kurapa (BOP DHB rep) *	0.5	0.0
Tania Hodges (Waikato DHB rep) *	0.5	0.0
	7.1	5.8
Disability Support Advisory Committee		
Colin Cockburn	1.3	1.7
Charles Eparaima **	0.0	1.3
Edna Issacs **	0.0	0.2
Mere Maniapoto	1.3	1.5
Peter O'Flaherty	0.8	1.8
Margaret Parker	0.3	0.0
Sue Westbrook	1.5	0.5
Leeann Loughlin *	0.3	0.0
Cherie Reinders	0.5	0.0
Jacob Te Kurapa (BOP DHB rep) *	0.3	0.0
Crystal Beavis	0.3	0.0
	6.6	6.9
Total non - board committee remuneration	**23.4**	**21.0**

* Commenced term during 13/14
** Completed term during 13/14

24. REMUNERATION (Continued)

Further details on board and committee fees can be found in the cabinet office circular CO (12) 6. Fees framework for members of statutory and other bodies appointed by the Crown.

Employee remuneration

Salary range	2014 Number of staff clinical and other staff	2013 Number of staff clinical and other staff
$100,001 - $110.000	29	20
$110,001 - $120,000	15	11
$120.001 - $130.000	12	9
$130,001 - $140,000	6	5
$140,001 - $150,000	5	5
$150.001 - $160,000	4	6
$160,001 - $170,000	4	1
$170,001 - $180,000	6	6
$180,001 - $190,000	3	2
$190,001 - $200,000	1	5
$200,001 - $210,000	5	4
$210,001 - $220,000	4	3
$220,001 - $230,000	6	3
$230,001 - $240,000	4	3
$240,001 - $250,000	11	7
$250,001 - $260,000	3	4
$260,001 - $270,000	2	5
$270,001 - $280,000	3	4
$280,001 - $290,000	5	3
$290,001 - $300,000	2	5
$300,001 - $310,000	8	7
$310,001 - $320,000	5	4
$320,001 - $330,000	1	2
$330,001 - $340,000	1	1
$340,001 - $350,000	2	0
$350,001 - $360,000	1	1
$360,001 - $370,000	3	1
$370,001 - $380,000	1	1
$380,001 - $390,000	1	1
$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	0

Of the 153 employees shown above, 128 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 155 compared with the actual total number of 153.

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	3,000
1	9,581
1	14,023
1	50,500

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:

Note		Lakes DHB Group Actual 2014 $000	Lakes DHB Group Actual 2013 $000	Lakes DHB Actual 2014 $000	Lakes DHB Actual 2013 $000
	FINANCIAL ASSETS				
	Loans and receivables				
8	Cash and cash equivalents	9,659	9,915	8,191	7,606
9	Debtors and other receivables	8,087	9,205	8,015	9,282
	Total loans and receivables	**17,746**	**19,120**	**16,206**	**16,888**
	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	15,199	19,728	16,024	19,607
	Borrowings:				
8	Bank overdraft	0	0	0	0
17	Finance lease liabilities	2,824	1,681	2,824	1,681
17	MOH Loans	49,565	49,565	49,565	49,565
	Total financial liabilities at amortised costs	**67,588**	**70,974**	**68,413**	**70,853**

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
2014				
Financial Assets	0	0	0	0
Financial Liabilities				
Derivatives	0	872	0	872
2013				
Financial Assets	0	0	0	0
Financial Liabilities				
Derivatives	0	1,820	0	1,820

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 96% 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 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 $13.647 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
2014				
Creditors and other payables (note 15)	15,199	0	0	0
Bank overdraft (note 8)	0	0	0	0
Finance lease liabilities (note 17)	687	1,168	467	502
MOH loans (note 17)	6,000	4,000	12,000	27,565
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

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
2014						
Gross settled derivatives	0	0	0	0	0	0
Net settled derivatives	872	0	872	392	465	15
2013						
Gross settled derivatives	0	0	0	0	0	0
Net settled derivatives	1,820	0	1,820	720	1,021	79

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
2014			
Cash and cash equivalents (note 8)	9,659	0	0
Debtors and other receivables (note 9)	8,087	0	0
2013			
Cash and cash equivalents (note 8)	9,915	0	0
Debtors and other receivables (note 9)	9,205	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 $8,859,000 (2013: $9,115,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of $85,590 (2013: $91,150).

MoH Loans include borrowings with a fair value of $49,426,439 (2013: $49,613,638) which are at fixed rates. A movement of an interest rate of plus or minus 1.0% has an effect on interest expense of $494,264 (2013: $496,136).

Derivatives financial liabilities hedge accounted includes interest rate swap fair value hedges with a fair value totalling $872,432 (2013: $1,819,963). A movement in interest rates of plus or minus 1.0% has an impact of $(195,092/($1,588,037) (2013: $(886,534/($2,807,493) 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 2014 $000	Lakes DHB Group Actual 2014 $000
Output Class Revenue			
	Prevention	7,380	7,378
	Early Detection and Management	90,487	74,208
	Intensive Assessment and Treatment	183,925	202,580
	Rehabilitation and Support	39,083	36,900
	Total Revenue	**320,875**	**321,066**
Output class Expenses			
	Prevention	7,243	3,068
	Early Detection and Management	92,515	76,299
	Intensive Assessment and Treatment	183,218	201,573
	Rehabilitation and Support	37,899	37,446
	Total Expenses	**320,875**	**318,386**
Surplus/(deficit) by Output class			
	Prevention	137	4,310
	Early Detection and Management	(2,028)	(2,091)
	Intensive Assessment and Treatment	707	1,007
	Rehabilitation and Support	1,184	(546)
	Net Surplus/(Deficit)	**0**	**2,680**

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.

Rehabilitation and Support 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 $2.680 million compared with a breakeven budgeted $0. The major reasons for the negative variance between actual and budgeted result of $2.680 million was due to:

	Variance $000
- Additional Government sourced revenue including new MoH side contracts of $3.86 million	3,855
- Planned increases in revenue from other DHBs (IDF inflows) not achieved of $3.01 million.	(3,010)
- higher actual costs for medical employee and locums of 2.29 million.	(2,287)
- higher actual costs for nursing employees due to increased volumes of 1.40 million.	(1,398)
- outsourced clinical services expenses less than planned of $1.24 million.	1,239
- higher actual costs for professional fees and expenses of 1.28 million.	(1,281)
- lower actual costs for community pharmaceuticals $1.28 million.	1,284
- lower actual IDF outflow costs of 1.57 million.	1,579
- Mental health funding expenses less than planned 1.07 million.	1,066
- numerous other favourable variances	1,633
Total variance	2,680

Statement of financial position

- Equity - The variance relates to a better than planned comprehensive income of $3.628 million vs. Budget $0.

- Current assets - higher than budgeted cash of $9 million held on short term deposit due to delays in capital expenditure.

- Non-current assets - lower than budgeted Property plant and equipment of $2.2 million due to lower than budget capital expenditure. Lower software than budgeted by $3.8 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 payables were lower than budgeted by $0.2 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. Derivative financial instruments were less than budget by 2.1 million due reductions in market valuations caused by rising interest rates.

Appendix – Committee Memberships

Iwi Governance Body Membership

Te Roopu Hauora o Te Arawa Members	Te Nohanga Kotahitanga o Tuwharetoa Members
Peri Marks (Chair)	Emily Rameka (Chair)
Aroha Morgan (Deputy Chair)	Ned Wikaira (Deputy Chair)
Beatrice Yates	Anah Pedersen
Kathy Porter	Arana Taumata
Lilian Emery	Edna Isaacs
Liz McDonald	Gaile Ngatai
Rauroha Clarke (koeke)	Jorian Rameka (Administrator)
Stephen Te Moni	Delani Brown
Tahae Tait	Mere Maniapoto
Trish Wairua-Harpur	Olga Rameka
Harata Paterson	Peehi Wall (Kuia)
	Raukura Ropiha
	Leeann Loughlin
	Tuatea Smallman
	Fenella Hodgkinson

Lakes DHB Board Members

Board Members: July 2013 to November 2013	Meetings Attended
Deryck Shaw - Chair	05/05
Lyall Thurston – Deputy Chair	04/05
Danny Loughlin	05/05
Rob Vigor-Brown	04/05
Mary Burdon	05/05
Julie Calnan	05/05
Ailsa Gathergood	05/05
Ian McLean	05/05
Merepeka Raukawa-Tait	03/05
Maureen Waaka – (passed away 1st July 2013)	N/A
Board Members: December 2013 to June 2014	
Deryck Shaw - Chair	06/06
Lyall Thurston – Deputy Chair	05/06
Danny Loughlin	05/06
Rob Vigor-Brown	06/06
Mary Burdon	06/06
Ailsa Gathergood	06/06
Ian McLean	06/06
Merepeka Raukawa-Tait	05/06
Charles Sturt	05/06
Maggie Bentley	04/06
Tamarapa Lloyd	05/06

CPHAC Committee Membership

Committee Members: July 2013 to November 2013	Meetings Attended
Lyall Thurston – Chair	03/04
Ailsa Gathergood – Deputy Chair	04/04
Deryck Shaw – Board Chair, Ex-officio	04/04
Mary Burdon	04/04
Julie Calnan	02/04
Maureen Waaka – (Deputy Chair who passed away 1st July 2013)	N/A
Lawrie Croxson – community representative	
Ngarepo Eparaima – community representative	
Edna Isaacs – TNKOTH primary representative	
Sue Westbrook – TRHOTA primary representative	
To be advised – TRHOTA alternate representative	
Dr Phil Shoemack/Dr Jim Miller – Ex-officio Medical Officers of Health	
Janet Hanvey – Ex-officio Toi Te Ora Public Health	
Pollyanne Taare – Ex-officio HRPHO representative	
Maree Munro – Ex-officio Midlands Health Network	
Committee Members: March2014 to June 2014	
Lyall Thurston – Chair	01/02
Ailsa Gathergood – Deputy Chair	02/02
Deryck Shaw – Board Chair, Ex-officio	02/02
Mary Burdon	01/02
Maggie Bentley	02/02
Charles Sturt	02/02
Tania Hodges – Waikato DHB committee representative	
Jacob Te Kurapa – Bay of Plenty DHB committee representative	
Lawrie Croxson – community representative	
Catriona Watson – community representative	
Margie Robbie – community representative	
Peri Marks – TRHOTA primary representative	
Ana Pedersen – TNKOTH primary representative	
Sue Westbrook – TRHOTA alternate representative	
Delani Brown – TNKOTH alternate representative	
Dr Phil Shoemack/Dr Jim Miller – Ex-officio Medical Officers of Health	
Janet Hanvey – Ex-officio Toi Te Ora Public Health	
Des Epp – Ex-officio RAPHS representative	
Maree Munro – Ex-officio Midlands Health Network	

DSAC Committee Membership

Committee Members: July 2013 to November 2013	Meetings Attended
Lyall Thurston – Chair	03/04
Rob Vigor-Brown – Deputy Chair	03/04
Deryck Shaw – Board Chair, Ex-officio	04/04
Ailsa Gathergood	04/04
Merepeka Raukawa-Tait	02/04
Maureen Waaka – (Deputy Chair who passed away 1st July 2013)	N/A
Peter O'Flaherty – community representative	
Colin Cockburn – community representative	
Margaret Parker – community representative	
Mere Maniapoto – TNKOTH primary representative	
Ngarepo Eparaima – TRHOTA primary representative	
Sue Westbrook – TRHOTA alternate representative	
Leann Loughlin – TNKOTH alternate representative	
Renee Delamere – Ex-officio Support Net representative	
Committee Members: March 2014 to June 2014	
Lyall Thurston – Chair	01/02
Rob Vigor-Brown – Deputy Chair	02/02
Deryck Shaw – Board Chair, Ex-officio	02/02
Ailsa Gathergood	02/02
Merepeka Raukawa-Tait	01/02
Charles Sturt	02/02
Crystal Beavis – Waikato DHB committee member	
Jacob Te Kurapa – Bay of Plenty DHB committee member	
Colin Cockburn – community representative	
Cherie Reinders – community representative	
Mere Maniapoto – TNKOTH primary representative	
Sue Westbrook – TRHOTA primary representative	
Rauroha Clarke – TRHOTA alternate representative	
Leann Loughlin – TNKOTH alternate representative	
Renee Delamere – Ex-officio Support Net representative	

HAC Committee Membership

Committee Members: July 2013 to November 2013	Meetings Attended
Ian McLean – Chair up to July 2013 (resigned)	04/06
Mary Burdon – Deputy Chair up to July 2013 took Chair as from August	06/06
Deryck Shaw – Board Chair – Ex officio	06/06
Julie Calnan	03/06
Danny Loughlin	04/06
Barbara Lovie – community representative	
Tongawhiti Warwick Manuirirangi – community representative	
Aroha Morgan – TRHOTA primary representative	
Ana Pedersen – TNKOTH primary representative	
Committee Members: February 2014 to June 2014	
Mary Burdon – Chair	04/05
Danny Loughlin – Deputy Chair	05/05
Deryck Shaw – Board Chair – Ex officio	05/05
Ian McLean	05/05
Tamarapa Lloyd	03/05
Maggie Bentley	05/05
Ewan Wilson – Waikato DHB community representative	
Mark Arundel – Bay of Plenty DHB community representative	
Julie Calnan – community representative	
David Honore – community representative	
Aroha Morgan – TRHOTA primary representative	
Ned Wikaira – TNKOTH primary representative	
Harata Paterson – TRHOTA alternate representative	

FAC Committee Membership

Committee Members	Meetings Attended
Danny Loughlin - Chair	10/10
Rob Vigor-Brown – Deputy Chair	10/10
Tamarapa Lloyd (appointed 9.12.13)	03/05
Merepeka Raukawa-Tait	08/10
Ian McLean	08/10
Deryck Shaw – Ex-Officio	10/10

Research and Ethics Committee Membership

Committee Members
Barry Smith (Population Health Analyst, Lakes DHB), chair
Suzanne Gower, (Private Health Consultant), deputy chair, community representative (resigned during year)
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 (resigned during year)
Annie Morley, Clinical Nurse Manager, ICU/CCU (joined during year)
Kharen Ortega, Clinical Nurse Educator, Orthopaedic Unit
Sonia Rapana, Associate Director Nursing Primary Health Care/ Community
Bernie Solomon, Clinical Nurse Educator, Mental Health

Clinical Governance

Membership	
Ron Dunham	Chief Executive
Martin Thomas	Chief Medical Officer, 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-Kamp	Pou Whakarite Maori Health
Gail Goodfellow	Service Manager, Mental Health Services
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/Medical Services
Jenny Stratton	Clinical Nurse Director Taupo Hospital
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
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	Clinical 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 District Health Board
Chief Executive
Ron Dunham

Chief Financial Officer
Alan Mountfort

Registered Office
Rotorua Hospital
5 Pukeroa Street
ROTORUA 3046

Postal Address
Private Bag 3023
Rotorua 3046
NEW ZEALAND

Telephone: 07-348-1199
Facsimile: 07-349-1309

Auditor
Audit New Zealand on behalf of the Office of the Auditor-General

Bankers
Westpac New Zealand Ltd

Solicitors
East Brewster