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About the Wairarapa District Health Board

The Wairarapa District Health Board (Wairarapa DHB) was established under the New Zealand Public Health and Disability Act 2000. Wairarapa DHB is responsible for the local planning of healthcare services, setting priorities, allocating funds, managing service provision for greater effectiveness and achieving an improved health status within the framework of the New Zealand Health Strategy.

The Wairarapa district encompasses a large geographic area characterised by relative isolation and a mainly low-density resident population of around 38,000. The Wairarapa DHB provider arm provides services at and from Masterton Hospital, Buchanan House in Greytown and Choice Health (Public Health) in downtown Masterton. Services provided include medical, surgical, women's health, child health, elderly, disability support, mental health, intellectual disability, public health and related support services. Wairarapa DHB also provides biomedical equipment servicing through its wholly owned subsidiary Biomedical Services New Zealand Limited, and has a one-sixth ownership of a joint venture the Central Region Technical Advisory Service Limited (TAS).



In 2002/03 WDHB spent almost \$52 million of which:

- \$36.4m was spent on hospital and related community services
- \$13.2m was spent on primary care services across 10 providers plus 7 GP Practices and 9 Pharmacists. 69% of the expenditure was on community pharmaceuticals and payments to GPs. The Ministry of Health continued to directly pay for some other services, including disability and public health services
- \$1.3m was spent in its governance arm.

Hospital and community service resources utilised the following resources:

- 323 FTE staff (485 people) and 31 contract staff.
- \$17.5m of assets
- 72 resourced beds (this includes 8 Mental Health Beds)
- average occupancy equalled 84%.

Overall outputs included:

- 22,757 Hospital discharges
- 11,337 Outpatient attendances
- 12,840 Emergency Department attendances
- In excess of 40,000 Community contacts ie. visits to homes and schools.

Community

Maori

Patients / Service Users

Family / Whanau

Caregivers

Health and Disability Service Providers

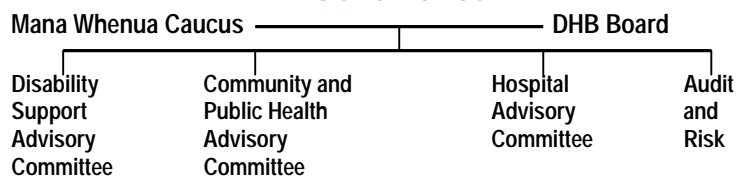
Community and Consumer Groups

Local and Central Government Agencies

General Public

Experts

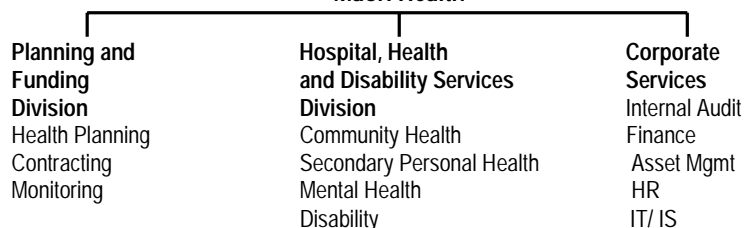
Governance



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

The Organisation

The Chief Executive Officer
Maori Health



About the Wairarapa District Health Board

Population

38,000 residents (2001 census).

Key demographic characteristics of the Wairarapa include:

- A static overall population.
- A slowly increasing Maori population.
- Maori population expected to grow 10.7% in the next 10 years.
- Over 55 Maori population expected to grow 41.4% in the next 10 years.
- Total over 65 population expected to grow 20.1% in the next 10 years.
- Similar overall mortality rate for Maori in Wairarapa relative to New Zealand Maori.
- Lower overall mortality rate for non-Maori in Wairarapa relative to NZ non-Maori.
- A very small Pacific population.
- Higher percentages of young people compared to the New Zealand average.
- Higher percentage of non-Maori elderly than the New Zealand average.

Strategic Health Goals

1. Improving child, family and youth health.
2. Better mental health.
3. Reducing the incidence and impact of diabetes.
4. Reducing the incidence and impact of respiratory disease.

Key Strategies for Achieving these Health Goals

- Reduce inequalities in access to services, with particular regard to inequalities between Maori and others.
- Increasing collaboration and co-operation with other agencies and sectors.
- Stronger focus on healthy lifestyles and population health approaches.
- Community development and co-ordinated community action.
- Improving quality and consistency of service delivery.
- More holistic approach.



Chairman's Report



It is my pleasure to present the Annual Report of the Wairarapa DHB for 2002/2003. I am particularly pleased to report that we continue to make steady progress in further building the capacity of the Wairarapa DHB, while continuing to provide the same range and volume of services as in previous years. This report outlines the Board's performance in meeting its objectives under the New Zealand Public Health and Disability Act 2000.

The year to June 2003 has seen further development of the Board's systems for managing the funding of all health and disability services. More recently, the Board's focus has shifted to its statutory objective of promoting the integration of health services, with particular focus on implementing the Government's Primary Health Strategy.

The Board has taken very seriously the right of communities to understand the health issues facing the region and for them to have an opportunity to be involved. When formulating the first District Strategic Plan, the District Health Board sought community feedback on the local issues that need addressing within the guidelines of the NZ Health and NZ Disability strategies. Through this consultation process, the community has made it very clear that self determination and community driven initiatives will pave the way for effective healthcare provision in the Wairarapa.

PHO development in the Wairarapa has had communities of interest actively engaged in looking at issues and solutions that enable collaboration and inclusiveness. This has led to agreement for there to be only one PHO for the Wairarapa with a proposed establishment target of 1 January 2004. It is exciting to see providers and communities actively grasping the concepts and talking about how to deliver better primary health care to our communities in a manner that the community feel best serves them.

Of particular significance over the past 12 months has been the signing of the partnership agreement between the Wairarapa DHB and the Mana Whenua. This agreement has been critical in cementing a constructive and positive relationship. The year has seen significant interaction, participation and engagement occur between Maori and the DHB on multiple levels particularly through the Maori Health Committee.

The Provider arm has faced many challenges through the year particularly with regard to recruitment and retention and issues related to compliance with health service standards. Despite these challenges, the provider arm has delivered services in line with contract expectations. Furthermore, the Wairarapa DHB once again achieved tertiary status for its ACC Safety Management Practices Programme.

Legislatively, the Board is required to act with fiscal probity. The Board accepts its responsibility to optimise all the vote-Health dollars coming into the Wairarapa to enable maximum health gains to be delivered. It is pleasing that the DHB finished the year within \$237,000 of its \$49 million budget. The unfavourable variance was largely due to a delay in the disposal of Greytown Hospital property that had been planned in the financial year.

The Board continues to face a range of issues with regard to sustainable standards of care both at Masterton

Hospital as well as across the Wairarapa. While the environment is

fraught with challenges the District Health Board recognises that there are many opportunities and that through ongoing constructive engagement of the community, neighbouring DHBs and the MOH, innovative partnerships will continue to be developed that will ensure that a comprehensive range of services will continue to be delivered locally.

The year saw a change in CEO, with Joel George moving onto other challenges after seven successful years with the DHB. I would like to acknowledge Joel's contribution to the health of the Wairarapa throughout this period. The Board was fortunate in the appointment of David Meates as Chief Executive in April. David brings an extensive background in health service delivery and a record of leadership that will take the Wairarapa DHB forward in new ways and address the historical issues that must be resolved for the long term clinical and financial sustainability of many of the hospital services in the Wairarapa.

The rapid development of planning and funding functions within the DHB and the continued provision of hospital and health services, are the result of the commitment and dedication of our management and staff. It is a credit to management and staff that they have been able to maintain standards and levels of care while coping with these ongoing changes, new roles and associated pressures. All staff can be justifiably proud of this achievement. With the help of such committed professional people, together we can look forward to strengthening our relationships and activities with communities, providers and other agencies for the benefit of all people within the Wairarapa.

I should like to thank all DHB staff and my fellow Board Members for their support during what was a challenging but successful year for the Wairarapa DHB. We are all confident we are on the right track for the future.

Doug Matheson
Chairman

Chief Executive's Report

The Wairarapa DHB is pleased to present its second Annual Report, which outlines achievements in the past year and identifies how the organisation will continue to meet the health and disability challenges of the people of the Wairarapa.

This has been a challenging year for the organisation with a change of CEO, the development of our capability and capacity of the planning and funding functions and recruitment and retention and service delivery issues within the provider arm.

Despite these challenges the commitment and dedication of staff has remained paramount. I am pleased to report that the Wairarapa DHB has had another solid performance with a range of quality achievements across a range of services.

The strategic focus remains on the facilitation of access to services, emphasis on collaboration and integration not only within the health and disability sectors but also with the housing, police, councils and education sectors. There has been increased focus on community involvement and improving health outcomes for Maori. Over the past year there has also been a considerable amount of collaborative work completed moving towards the development of a single PHO within the Wairarapa. In particular, I would like to thank kaumatua and kuia for their support of the Wairarapa DHB and its activities.

At the provider level it has been another challenging year, particularly

with regard to recruitment and retention and the delivery of sustainable health services to the Wairarapa. Despite these challenges the provider arm delivered services in line with contractual expectations. However, the cost of delivering these services was substantially greater than funded and the DHB was able to deliver a near breakeven result only through the release of revenue provisions and the non-investment in areas such as Information Technology.

Advancements have continued to be made in terms of workforce development (local DHB / UCOL Bachelor of Nursing Programme due to commence 2004), clinical governance (the establishment of a Clinical Board) and improved service efficiencies (reductions in waiting times for elective services).

The future holds some uncertainty as to the sustainability of the current service configuration within the Wairarapa. The future industrial relations issues particularly Multi Employer Collective Agreements (MECAs), and risks around demand driven expenditure such as pharmaceuticals, laboratory and GMS will put added pressure on what are scarce resources.

There are many challenges to face in the coming year. However, significant progress has been made towards the completion of a Business Case supporting the redevelopment of Masterton Hospital and ensuring that services will remain clinical viable and affordable. Optimism is building among DHB staff, community groups and providers as new developments



emerge. A smoother and improved co-ordination of functions is placing the Wairarapa DHB in good stead to take advantage of the opportunities that lie ahead. With the move to population based funding and the devolution of further health services to the DHB, it is time to modify capabilities, open avenues and allow more flexibility.

I would like to thank the Board and all staff of the Wairarapa DHB who have continued to cope under pressure, maintain standards and deliver levels of care to a very high standard. In the short time that I have been here I have been impressed by the commitment and passion for effective health service delivery. I look forward to working with you to fulfill our future goals in what deems to be an exciting and innovative period.

David Meates
Chief Executive

Report on Governance and Accountability

Role of the Board

The Board concentrates on setting policy, approving strategy, and monitoring progress toward meeting objectives.

The Board's governance responsibilities include:

- Setting policy.
- Approving strategy.
- Planning.
- Communicating with the Minister and other stakeholders to ensure their views are reflected in the District Health Board's planning.
- Delegating responsibility for achievement of specific objectives to the Chief Executive.
- Reporting to stakeholders on plans and progress against them.
- Maintaining effective systems of internal control.
- Monitoring organisational performance towards achieving objectives.
- Funding.
- Compliance and other statutory requirements.

Structure of Wairarapa DHB

DHB Operations

The Board has appointed a single employee – the Chief Executive – to manage all Wairarapa DHB operations. The Chief Executive has appointed all other employees of Wairarapa DHB. The Board directs the Chief Executive by delegating responsibility, accountability and authority for the achievement of objectives through setting policy, strategic goals, performance objectives and plans.

Board Committees

The Board has set up committees to provide a more detailed level of focus on particular issues. Each committee has been delegated responsibility for governance – that is advising the Board on policies and monitoring of the organisation's progress towards



*Back left to right: Martin Easthope, George Makaera, Janice Wenn, Michael Hullah, Doug Matheson, Piri Tetau, Bobby Paurini
Front: Taka Parere, Kuki Rimene*

meeting the District Health Board's objectives. Committees do not involve themselves in operational matters. The Board's standing committees (including the statutory advisory committees) are:

The Community and Public Health Advisory Committee – meets monthly.

The Disability Support Advisory Committee – meets monthly.

The Hospital Advisory Committee – meets monthly.

The Audit Committee – generally meets quarterly.

Subsidiaries and Joint Ventures

Biomedical Services New Zealand Limited is a wholly owned subsidiary of Wairarapa DHB. Biomedical Services New Zealand Limited's principal activities during the year were testing, calibration and maintenance of biomedical equipment throughout New Zealand.

Wairarapa DHB has one-sixth ownership of a joint venture called the Central Region Technical Advisory Service Limited (TAS). This company was established to provide the six central region district health boards with applied analysis, service planning and external quality audit services in order to inform local funding and planning decisions.

Partnership with Iwi

2003 has been a year of great significance for Wairarapa DHB and Maori. The DHB has strengthened its relationship with local Iwi and has built on discussions with Iwi during 2002.

The commitment of parties to work together has been consolidated and resulted in the signing of a relationship agreement in March of this year.

Treaty of Waitangi Policy

As part of the agreement the Board and Mana Whenua have worked together to develop a Treaty of Waitangi Policy. The Treaty Policy will umbrella all DHB activity. It is envisaged that Treaty based guidelines for DHB activity will follow.

The Board and Mana Whenua have now shifted their attention to the development of a joint action plan and monitoring framework.



Governance Philosophy



*Back row, left to right: Dr Rob Tuckett, Doug Matheson (Chair), Lyn Patterson, David Meates (CEO), Martin Easthope.
Front row: Cheryl-Ann Broughton-Kurei, Janine Vollebregt, Janice Wenn, Dr Liz Falkner, Linda Nelson. Absent: Robyn Darglish and Vivien Napier*

Board Membership

The Board members bring diverse skill and backgrounds experience to the governance of the Wairarapa DHB.

All members are required to act in the best interests of the District Health Board. Board members accept the principal of collective accountability, individual members have no separate governing role outside the boardroom.

Relationship with Stakeholders

The Board is committed to a strong relationship with all stakeholders. Board members take every opportunity to meet with relevant groups to ensure open two-way communication is maintained.

Division of Responsibility Between the Board and Management

To ensure the efficient running of the District Health Board there is a clear division between the roles of the Board and management. The Board concentrates on setting policy, reviewing and approving strategy and plans, and monitoring progress towards meeting objectives.

Management is concerned with implementing policy and strategy and managing the organisation to meet the goals and objectives. The Board has clearly distinguished these roles by ensuring that the delegation of responsibility, accountability and authority to the chief executive is concise and complete. The Board sets annual performance criteria against which the performance of the chief executive is measured.

Accountability

The Board and its committees holds regular meetings to ensure that the affairs of the District Health Board and its subsidiaries are being conducted in accordance with Wairarapa DHB's policies, strategies, plans and performance goals ensuring compliance with statutory and other requirements.

Conflicts of interest

The Board maintains a member's interests register and at each meeting ensures Board members are aware of their obligations to declare any potential conflicts of interests.

Audit

While many of the Board's functions have been delegated, the overall responsibility for maintaining effective systems of internal control ultimately rests with the Board. Internal controls include the policies, systems and procedures established to provide assurance that specific objectives of the Board will be achieved. The Board and management have acknowledged their responsibility by signing the statement of responsibility on page 22 of this report.

Wairarapa DHB has an internal audit function that is responsible for monitoring its systems of internal control and the quality and reliability of financial and non-financial information reported to the Board. Internal auditor reports directly to the Chief Executive and reports its findings to the Audit Committee. Internal audit liases closely with the external auditors, who review the systems of internal control to the extent necessary to support their audit opinion.

The Auditor-General is the appointed external auditor of the District Health Board. The appointment is made under section 14 of the Public Audit Act 2001, section 43(1) of the Public Finance Act 1989 and section 43 of the New Zealand Public Health and Disability Act 2000. The Auditor-General has appointed Audit New Zealand as the audit provider to Wairarapa DHB.

The audit system is built into the overall organisation through committees and management objectives to ensure that there is a continuing commitment to evaluation and improvement of standards and performance, and audit provider service quality. In this way, it contributes to the continuous quality improvement model.

Governance Philosophy Continued

Risk Management

The Board is committed to sound risk management practices through an established risk management programme in accordance with the 'Guidelines for Managing Risk in the Australian and New Zealand Public Sector AS/NZS 4360:1999.

Risk management processes involve identification, analysis and evaluation of risks before deciding to accept or treat. Risks are identified, monitored and reported to the Audit Committee and the Board.



Legislative Compliance

The Board acknowledges its responsibility to ensure the organisation complies with all legislation and regulations. The Board has delegated responsibility to the chief executive for the development and operation of a programme to systematically identify compliance issues, and for ensuring that all staff are aware of legislative and regulatory requirements that are particularly relevant to them.



Ethics

The Board acknowledges a variety of codes of professional ethics, and monitors whether staff maintain high standards of ethical behaviour and practice the principles of 'good corporate citizenship'.

Monitoring compliance with ethical codes is done through such means as monitoring trends in complaints and disciplinary actions; internal audit reports; or any reports or indications that show non-conformance with the principles espoused in the code of ethics.

Good corporate citizenship involves this entity, including its employees, acknowledging that it is a member of one or more communities outside of itself, and making a commitment to act in a manner consistent with the social mores and accepted rights and responsibilities of all citizens of those communities.



Planning and Funding

In 2002/03 the planning and funding team continued to build capacity to manage its planning and funding responsibilities. Key activities and achievements during the year included:

- Approval and publication of the DHB's Strategic Plan for the next five to ten years.
- Establishment of service advisory groups to progress implementation of the four priority areas identified in the Strategic Plan. Each group has wide stakeholder representation.
- Completion of two surveys of Wairarapa disability agencies. Information from these surveys provided a good base for our preparations to take on responsibility for funding of disability services for older people.
- Completion of an establishment plan for services for Health of Older People.
- Analysis of population based funding allocations and inter-district flows.
- Participation in joint project work with other DHBs, both regionally and nationally, including projects related to:
 - o Regional mental health services planning and funding.
 - o Management of community referred services.
 - o Preparation for devolution of DSS for older people.
- Support and facilitation of the Wairarapa PHO Steering Committee, and community and provider communication and liaison in relation to PHO development.
- Development of relationships with providers of services for older people.
- Establishment of a local DHB project to promote management of demand driven pharmaceutical expenditure growth.
- Development of provider monitoring and audits systems and processes. A rolling programme of routine provider audits has been instituted and

three providers were audited during the year.

- Participation in Masterton Hospital Site Development project planning.
- Other important planning and funding activity has related to further identification, understanding and management of risks. The Wairarapa faces considerable risks related to its small size/population and to the open ended nature of some of the funding arrangements that have been devolved to it.



New Initiatives Developed and Funded During 2002/03

1. Kura Kaupapa Maori Clinic

A weekly primary health clinic has been established at the Te Kura Kaupapa in Masterton - Wairarapa's lowest decile primary school - from July 2002. The clinic provides free general practitioner services to children enrolled at the Kura and their whanau. Prior to establishment of the Kura Clinic, this group showed very low uptake of primary health services, other than presenting to the Hospital Emergency Department.

During the year the clinic has been in operation many individuals have been treated for a wide range of conditions, and there has been growing awareness of health issues and choices among the Kura community. The clinic operates for four hours each week and sees an average of 15 patients at each session. However, the impact of the clinic on the whole school community is much greater than the sum of its impacts on individual patients. A new 'health confidence' has emerged. The Kura lunch menus have changed

to incorporate healthy eating. Healthy lifestyle awareness and prevention have become prominent concepts in this community.

2. Additional Outreach Clinics for Asthma and Diabetes

Following the success of the outreach clinics established at Papawai Marae in previous years, increased funding was provided in 2002/03 to enable further clinics to be established. The diabetes and asthma nurse educators provide the clinics, and have been joined more recently by the cardiac outreach nurse. They monitor and advise a group of patients who otherwise do not usually access primary health care. Most patients attending the monthly clinics say that they cannot afford to visit a general practitioner.

The outreach nurse clinics work in close liaison with Whaiora Whanui. Whaiora Whanui provide whanua ora services that support people to follow the advice they receive at the clinics.

During 2002/03 new clinics have commenced at two other locations - Pirinoa Marae and at the Cameron Community Centre in Masterton. The Cameron Centre Clinic attracts urban Maori and Pacific people. A specialist physician from the hospital is now seeing some patients at the outreach clinics. This has improved linkages between primary and secondary care, and increased retention in health care programmes.

In a further development during 2002/03, the asthma and diabetes nurse educators have also established regular sessions at general practices throughout the district. This is proving very beneficial. Referrals to doctors for specific assessments, treatments, or medication changes, can now be made and usually implemented within the same session. Fewer people are lost to follow-up, and nurse educators' notes and advice can be integrated with general practice records. Some people who previously would not access a general practice are now beginning to see their nurse educator in a general practice setting.

Planning and Funding

Together the kura general practitioner clinic and outreach nurse clinics are changing the face of primary care for Maori. Maori are becoming more aware of their primary health needs and issues, and of what they should be able to expect from general practitioners and other primary health workers. This has been reflected during 2002/03, in the PHO Steering Committee. Maori on the PHO Steering Committee have provided strong input.

3. Maori Health Developments

Over the past twelve months a Maori Health Development Action Plan for the next three years has been developed. A key feature of the Plan is the development of a Treaty of Waitangi Policy framework within the DHB.

This Plan has been developed with the local Maori community and will guide our Maori health development work program for the next two years. In particular, the plan will ensure we continue to:

- enable Maori participation in all DHB activities
- foster Maori development
- and work in partnership with Maori.

Communication

We continue to proactively keep Maori informed about the DHB and its activities. To progress this we have sent to all Marae and Maori community groups an information booklet, outlining the activities the DHB has progressed with Mana Whenua and the Wairarapa Maori Health Committee.

Maori Provider Development

During 2003 the Wairarapa DHB has worked with Maori providers and supported Wairarapa Maori providers to form a working collective. This has resulted in the Maori provider collective successfully applying for development funding from the Ministry of Health. The collective is currently developing a joint strategic plan to progress the delivery of Maori provider services within the Wairarapa.

Maori Focus Groups

A number of Hui a Iwi and Maori focus groups have been implemented this year. A specific focus group was held with Maori who frequently utilise inpatient services to get their feedback on how our facilities might be improved. They told us that as a general principle the DHB needed to be developing facilities that would better enable culturally effective practice.

Maori also implemented their own focus groups to review each strategic priority area and provided the DHB with feedback and input on how we might improve the way we



effect positive changes in Maori health.

Maori Workforce Development

An exciting community initiative has been the news that UCOL will provide its bachelor of nurse training at its Masterton campus in 2004. The DHB has worked hard to encourage potential Maori students to enrol in the programme. One positive result related to this matter has been that nine Maori students have enrolled in UCOLs nursing precourse in 2003 in preparation for 2004.

Maori Representation

Excellent Maori representation has been achieved on all of the Wairarapa DHB's advisory and project groups. This includes such groups as the Clinical Board, PHO Steering Group and the DHB's strategic priority advisory groups.

The Future

In the coming year we will continue to make good progress. Some of the

initiatives we plan to advance are: the establishment of a PHO that has

significant Maori representation at a governance level; implementation of the Maori Health Development Action Plan; implementation of the Treaty of Waitangi Policy and relevant guidelines; support for Maori nurses enrolled in UCOLs Bachelor of Nursing programme locally; and to implement a comprehensive cultural training framework for staff within our district.

PHO Developments

Support for progress towards establishment of a PHO has been a key focus in 2002/03. In July 2002 the DHB held a one-day public workshop to discuss PHO concepts. About 120 people, representing all parts of the Wairarapa, attended.

The workshop demonstrated widespread enthusiasm for the development of a single PHO for the Wairarapa, and gave the DHB the mandate to move this forward. Following the workshop the DHB advertised widely for registrations of interest in working with the DHB to design and establish a PHO. Again there was a very large response. A PHO steering committee was then set up and began meeting in November 2002. The steering committee continued to meet through to June 2003. Mana Whenua, Maori providers, general practitioners, practice nurses, pharmacists, practice managers, mental health providers, older people, and the general community were all represented on the steering committee.

At 30 June the steering committee disbanded as a PHO Trust was then established with an interim trust board. The PHO is expected to become operational on 1 January 2004.

The PHO Steering Committee's significant achievements included: securing agreement from all general practices that they would participate in a single Wairarapa-wide PHO; and

ensuring that the PHO trust board has 50% Maori membership.

