

Statement of Intent

2006/07 – 2008/09

Wairarapa District Health Board

Wairarapa District Health Board's vision is:

Well Wairarapa –Better health for all
Wairarapa ora – Hauora pai mo te katoa

Our mission is:

To improve, promote, and protect the health status of the people of the Wairarapa, and the independent living of those with disabilities, by supporting and encouraging healthy choices.

Wairarapa District Health Board Treaty of Waitangi Statement

The Wairarapa DHB recognises and respects the Treaty of Waitangi, and the principles of partnership, participation and protection, in the context of the New Zealand Public Health and Disability Act 2000.

The Wairarapa District Health Board will continue to work with the Mana Whenua Caucus to ensure Maori participation at all levels of service planning, and service delivery for the protection and improvement of the health status of Maori.

Wairarapa District Health Board Values

The values that underpin all of our work are:

- **Respect - Whakamana Tangata**
According respect, courtesy and support to all
- **Integrity – Mana Tu**
Being inclusive, open, honest and ethical
- **Self Determination - Rangatiratanga**
Determining and taking responsibility for ones actions
- **Co-operation - Whakawhanaungatanga**
Working collaboratively with other individuals and organisations
- **Excellence – Taumatatanga**
Striving for the highest standards in all that we do

EXECUTIVE SUMMARY

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

This document is intended to outline for Parliament and the general public the performance that will be delivered during 2006/07 by Wairarapa DHB and contains non-financial and financial forecast information for the 2007/08 and 2008/09 years. The performance measures are in the context of the government's strategic and service priorities for the public health and disability sector.

Wairarapa DHB expects to end 2005/06 close to financial breakeven and has confirmed its commitment to maintaining breakeven in 2006/07, thereby delivering on the targets set in the DHB's revised financial plan submitted December 2004, subsequent to approval of the revised business case for rebuilding of Masterton Hospital.

During 2005/06 Wairarapa DHB has completed the development of the new Wairarapa hospital, on time, and on budget, and realised major operational efficiencies. This has allowed the DHB to break-even and established a firm basis for financial and clinical sustainability into the future.

During 2005/06 the DHB's risk profile has changed. While internal risks have diminished as the new hospital has reached completion, external risks have grown significantly and now have the potential to impact adversely on future financial projections. External risks cannot be managed fully by Wairarapa DHB actions alone, but instead require co-operative actions with several DHBs and/or the Ministry of Health.

These external risks include:

- Remuneration settlements through multi-employer collective agreements – employee remuneration expectations need to align with health sector funding and productivity growth
- Provision of aged residential care services – insufficient capacity, non-viable providers, and lack of access to capital funding
- Increasing expenditure on inter district flows (IDFs) and regional specialty services, due to increasing technologies, and need for investment to assure future viability
- Ongoing growth in pharmaceutical costs

To address these risks the DHB will work with, and seek the support of, other DHBs, the Ministry of Health and other national agencies.

DHB Board members and management are committed to achievement of the goals and targets they have set for 2006/07 and to effective management of the risks and challenges that this entails.

SIGNATORIES

Signature
(Board Member)

Signature
(Board Member)

ABOUT WAIRARAPA DHB

Wairarapa District Health Board was established under the New Zealand Public Health and Disability Act (2000). It is a Crown entity, responsible for planning, funding and providing health and disability services. The statutory objectives of DHBs are:

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

The DHB is responsible for:

- Determining the services and systems needed to improve the overall health of the Wairarapa population
- Funding most personal health, mental health, older people's health and Maori health services, and some disability support services
- Ensuring services are provided, either directly through the DHB's own provider arm (Wairarapa hospital in Masterton and Choice Health), or by other contracted providers, such as Wairarapa Community Primary Health Organisation (PHO), rest homes, and other DHBs (for services not available in Wairarapa such as neurology)
- Advocating for, and championing the health of Wairarapa people across all sectors

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1 INTRODUCTION

1.1. General

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

This SOI is for the period 2006/07 to 2008/09. The SOI describes to Parliament and the communities of the Wairarapa District what the DHB intends to achieve over the next three years in terms of promoting, enhancing and facilitating the health, and well-being of the people in our district. This SOI incorporates the governance (the Board), funder and service provider activities of the DHB.

Performance measures and targets are included describing how Wairarapa DHB aims to improve the health and well-being of our community over the next three financial years (1 July to 30 June).

This SOI is aligned to and consistent with:

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

This SOI includes:

- a statement of forecasted service performance the DHB will seek to achieve during 2006/07 with non-financial performance measures and targets for one of the three output classes (ie, the governance, funder and provider parts of the DHB) it delivers(see section 5), and
- financial forecast for 2006/07 and the two subsequent years (Section 6).

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

1.2. Responsibilities to Maori

In line with government's health strategies and policies, Wairarapa DHB is committed to reducing health inequalities and improving health outcomes for Maori in accordance with our statutory responsibilities under the NZPHD Act 2000.

1.3. Treaty of Waitangi

We recognise and respect the principles of the Treaty of Waitangi, including partnership, participation and protection. We are committed to satisfying our responsibilities to the principles of the Treaty of Waitangi within the framework of the NZPHD 2000.

- *Partnership*
We are committed to a framework based on mutual understanding and co-operation that enables Maori to engage and contribute to decisions at the highest strategic level.
- *Participation*
We recognise our role as a joint partner in identifying priority areas for Maori health within the Wairarapa District. Maori are involved in overall strategic, operational, planning and consultation processes.
- *Protection*
We are committed to a bi-cultural approach in our delivery of health and disability services and the utilisation of tikanga Maori. We will work with Maori to ensure the protection of Maori cultural concepts, values, practices and other taonga.

We are committed to enabling greater Maori participation at all levels of the health and disability sector. We have identified a number of ways in which to enable Maori to contribute to decision-making and to participate in the delivery of health and disability services within our DHB, including through the Mana Whenua Caucus and Maori Health Committee.

Wairarapa DHB also has an active Treaty of Waitangi Policy. The application of this policy by all services provided or funded by the DHB ensures that not only Maori health gain and development is achieved but that each partner is proactive and jointly responsible for improving Maori health.

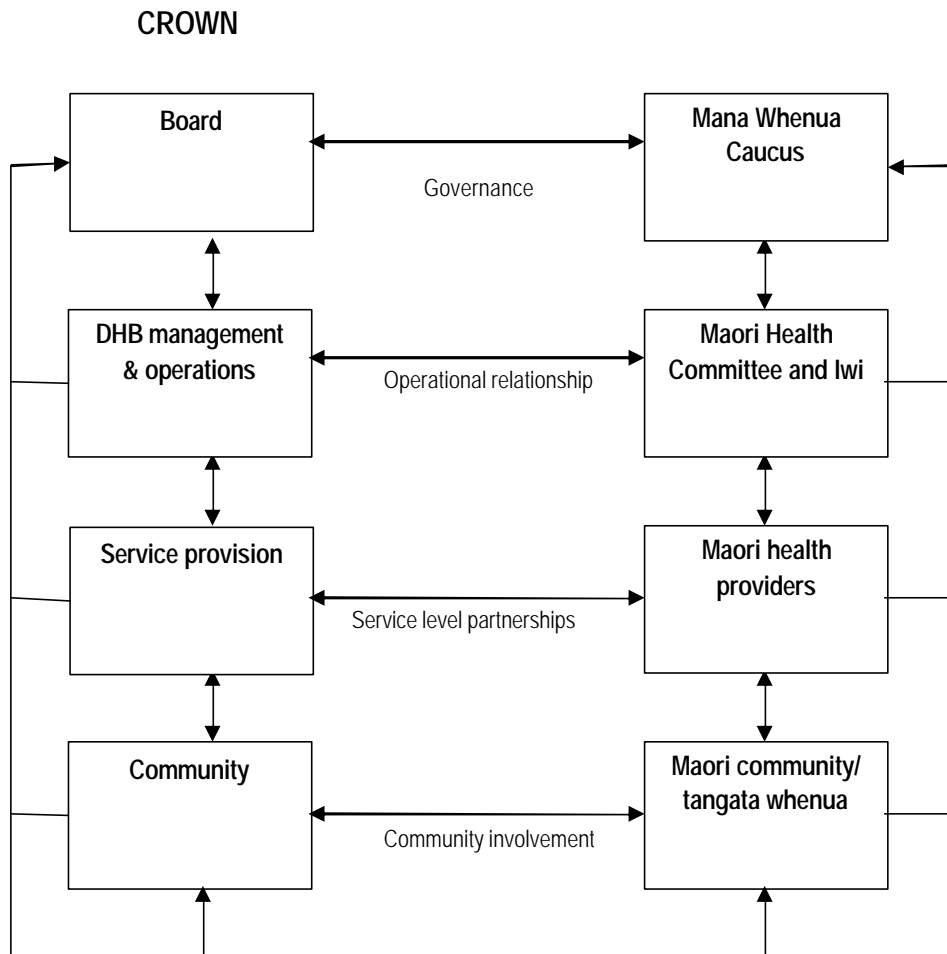
Mana Whenua Caucus and Maori Health Committee

The Maori Health Committee was first developed under the former Crown Health Enterprise and since 1999 has worked to promote Maori health across all sectors. The Maori Health Committee membership is a representation of Maori across the health sector in conjunction with Maori practitioners working in the sectors that complement health. This committee also has the benefit of having kaumatua, Maori Women's Welfare league, consumers and representation from the Maori community either as designated members or official supporters and observers in attendance at their bi-monthly meetings. The Maori Health Committee, which is inclusive of both mana whenua and mataa waka, has a key role in advising on the planning, funding, development and delivery of services for Maori and the community in general.

Following the establishment of the Wairarapa DHB, in March 2003, a formal partnership agreement was developed and signed with the Mana Whenua Caucus who represents the two local Iwi, Ngati Kahungunu and Rangitaane. This is the independent body that advises the Wairarapa DHB at governance level.

The Wairarapa DHB employs a Director of Maori Health who is a member of senior management team. This position is supported by a Maori Health Coordinator who works with the Wairarapa DHB's provider services to ensure that services are culturally relevant for Maori, that staff development programmes include Tikanga Maori, and that Tikanga Maori is respected within the organisation.

The following diagram illustrates the model of partnership developed with the Maori community.



1.4. Consultation with and Reporting to the Minister of Health

We monitor and report our progress to the Minister of Health through regular monthly and quarterly reports to the Minister's agent, the Ministry of Health. These reports cover:

- financial and non-financial performance, including hospital benchmark indicators, measures of the population's health and other indicators
- risks and risk management

Our annual report provides a consolidated report of performance against all measures and targets set out in the Statement of Intent.

We notify and consult with the Minister of Health and/or the Ministry before taking action on, or making decisions in relation to:

- changes in service coverage
- major capital investments
- any proposed changes to service agreements with nationwide service providers
- any significant proposals to outsource services or begin providing services provided previously by a non-government provider
- any proposal for involvement in privately funded service provision
- any proposed changes to an approved/signed annual plan.

2 OUR PEOPLE

This section describes Wairarapa DHB's region. It outlines the geographical location and the population profile and identifies health issues for the Wairarapa district.

2.1. Population Information

The Wairarapa DHB is located in the southeast of the North Island. Its cover extends from the Rimutaka hill and Ocean Beach in the south to Mount Bruce in the north. While Masterton is within 90 minutes drive of Palmerston North, Hutt and Wellington hospitals, people living in more rural areas in the Wairarapa have much further to travel. Furthermore, travel between the Wairarapa and neighbouring DHBs is not always straightforward, as the district can be cut off from both Wellington and Palmerston North from time to time due to weather forcing the closure of the Rimutaka Hill road, and the Manawatu Gorge and/or Pahiatua Track.

The area is characterised by urban clusters surrounded by sparsely populated rural areas. About half of the population live in urban centres compared with the national average of 83% for all DHBs. The population density in the Wairarapa is low at 7 per square kilometre placing Wairarapa among only 6 DHBs with a population density of 7 or less.

Public transport links within Wairarapa and between Wairarapa and other centres are very limited. Taxi services are only available in Masterton.

Population

The Wairarapa population is declining and aging. The DHB is estimated to have a total population of 39,300 in 2006, which is 0.95% of the total New Zealand population. Census data shows the population declined by 0.8% census between 1996 and 2001, and is projected to decline by 2% over the next ten years.

Maori make up 14% of the total population, have a younger age profile and are projected to form an increasing proportion of the population. Pacific people make up less than 2% of the population.

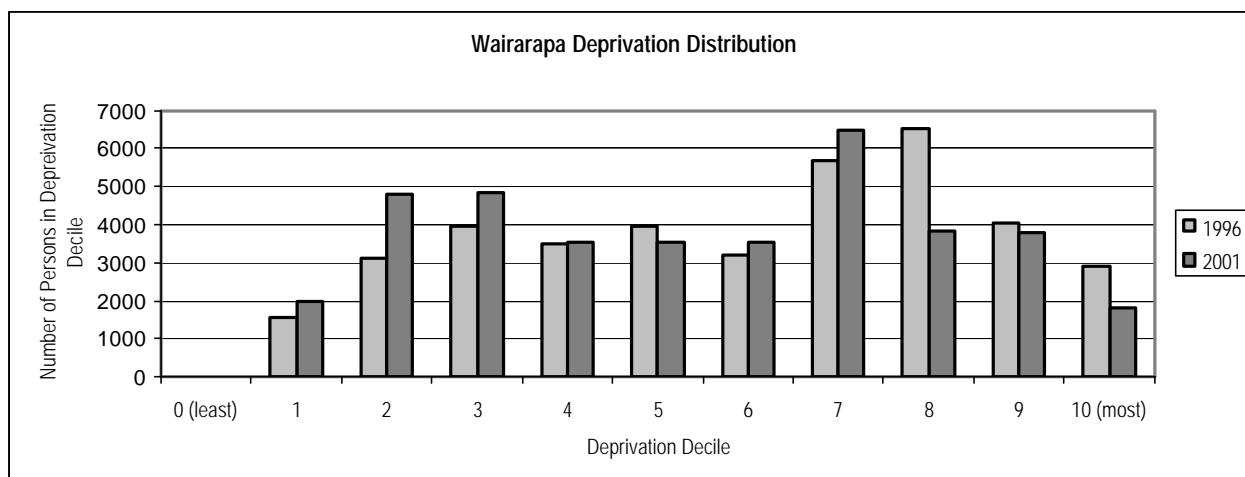
Key demographic features of Wairarapa population include:

- Declining population overall (projected to decline 1.9% in next ten years)
- Slowly increasing Maori population (projected to increase 10.1% in next ten years).
- Older and rapidly aging population (over 65 population projected to grow 20.1 percent in the next 10 years)
- Very small Pacific population – 760 Pacific people.

The population mix is predicted to change over the next few years, with increasing percentages of older people and increasing numbers of Maori. These are the groups that have the greatest needs for health and disability services.

Socioeconomic Status

The table below illustrates the distribution of the Wairarapa population according to the New Zealand Index of Deprivation. The Wairarapa population has a higher level of deprivation than the New Zealand population as a whole (that is, there are more people in deciles 5-10 than in deciles 1-5). However the overall deprivation level reduced between 1996 and 2001, with 19% fewer people in deciles nine and ten (the most deprived) in 2001.



2.2. Key Health Issues/Challenges

The Wairarapa Health Status Report, 2005, indicates that the key issues for Wairarapa people in the medium term are:

- Maori health
- Mental health, particularly alcohol and drug issues
- Cancer
- Cardiovascular disease, diabetes and respiratory disease
- Child and Youth health

2.3. Maori Health

Maori have worse health status than non-Maori, across nearly all indicators, and Maori have poorer health than any other group. Some gaps between health of Maori and health of non-Maori are reducing but in some areas, such as asthma, they are increasing. Despite having greater needs, Maori are less likely to access primary health services. Maori are an increasing proportion of the total Wairarapa population and will place increasing demand on health services

2.4. Pacific Health

The Pacific population within the Wairarapa DHB at the 2001 Census was 615 or 2% of the DHB total population. Conclusions are difficult to draw about population trends because of the small population number. Respiratory infections, asthma and congestive heart failure are the three main reasons for hospitalization for Pacific people, while ischaemic heart disease, suicide, road traffic injury and diabetes are the main causes of avoidable mortality.

2.5. Disability Profile

National survey data indicates that around 8000 people in Wairarapa are likely to have a disability¹, of these about 4,600 are likely to require some assistance. The number of people affected by disability is increasing as the population ages. 56% of people over the age of 65 have some level of functional disability, with three quarters of these requiring some kind of assistance. Mobility disability is the most common disability in adults. More than half of all people with a disability have more than one type of disability, for example mobility and hearing.

¹ Inferred from New Zealand Disability survey 2001

2.6. Other Issues/Considerations

Mental Health

Wairarapa has similar rates of suicide to all New Zealand, but appears to have higher rates of intentional self harm/suicide attempt, and higher levels of hazardous drinking.

As is the case in other DHBs, Wairarapa has levels of access to specialist mental health and addiction services that are well below national targets.

Cancer

Cancer rates in Wairarapa are similar to those for New Zealand as a whole.

- Rates of colorectal, breast and cervical cancer are higher but not significantly so.
- Rates of colorectal, breast, cervical and lung cancers are increasing faster in Wairarapa than nationally.
- Lung cancer is much more prevalent in Maori.
- Prostate cancer is the most commonly diagnosed cancer.

Cardiovascular disease, diabetes and respiratory disease

Wairarapa has:

- high rates of ischaemic heart disease
- high hospitalisation rates for stroke, congestive heart failure and ischaemic heart disease
- high rates of hospitalisation and deaths due to diabetes, although diabetes case detection and management has improved significantly since 2001
- significantly higher than national rates of respiratory diseases and deaths.

Child and Youth Health

There has been improvement overall in Wairarapa's child health indicators since 2001, but Wairarapa still has worse outcomes than national averages on several child health indicators, including:

- higher infant mortality
- higher rates of admission to hospital for avoidable conditions
- lower rates of breast feeding
- more burns and poisonings in young children.

Wairarapa Wide

- Wairarapa residents have a lower life expectancy across all groups than New Zealand as a whole and significantly higher hospitalisation rates for all ethnicities and ages.
- The rate of avoidable hospitalisations for Wairarapa is 25% above the national rate, and increasing.
- Avoidable mortality is 9% above the national rate.
- Most deaths are from avoidable causes – heart disease, cancer, respiratory disease, and road traffic accidents. Wairarapa has higher rates of death from these causes than all New Zealand.
- Wairarapa has above average rates of hospitalisations from potentially avoidable causes and this is increasing.
- There are high rates of falls in those aged 65 years and above (29% above national rates).
- Wairarapa teenage birth rate has been falling but continues to be above the national rate.
- Road traffic accidents are the top causes of death and hospitalisation for youth.

Wairarapa shows better than average outcomes for:

- hearing – fewer children fail the hearing test at school entry
- oral health – less decay in children's teeth at year 8.

Lifestyle factors

Drug and alcohol consumption, smoking, diet and exercise are major determinants of health status and outcomes. Compared with all New Zealand, Wairarapa people have:

- more hazardous drinking
- similar levels of marijuana use
- higher percentages of smokers
- similar fruit and vegetable consumption
- more obesity
- similar levels of physical activity.

3 NATURE AND SCOPE OF ACTIVITIES

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

- Governance
- Planning and Funding
- Provision of Services.

3.1. DHB Governance and Management

The governance structure for DHBs is set out in NZPHD Act 2000. A Board of elected and appointed members is responsible for governance of the Wairarapa DHB. The Board is responsible for the organisation’s performance, including the achievement of the targets set out in this Statement of Intent. The Board delegates to the Chief Executive of the DHB in accordance with Section 26(1) and (2) of the NZPHD Act 2000.

The Board has eleven members. Seven of the members are elected as part of the three yearly local body election process (last held in October 2004) and four are appointed by the Minister of Health. The Board has two Maori members who represent the interests of Maori as individuals. A Maori board member sits on each Committee of the Board.

Wairarapa DHB Members as at 1 July 2005 are:

Cheryl-Ann Broughton-Kurei, Perry Cameron, Martin Easthope, Liz Falkner, Yvette Grace, Pamela Jefferies, Doug Matheson (Chair), Vivien Napier, Trish Taylor, Rob Tuckett, and Janine Vollebregt.

The role of the Board is set out in Section 26 of the NZPHD Act 2000 and Section 25 of the Crown entities Act 2004. To perform this role the Board of the WDHB:

- appoints and oversees the performance of the Chief Executive
- develops a clear vision and strategic goals for the organisation
- develops proactive and reactive strategies
- reports to the Minister of Health on the Board’s performance
- develops and seeks approval of accountability documents
- monitors performance of the organisation and the Chief Executive
- adds value to the activities of Wairarapa DHB.

The Board has established four advisory committees. Three of these are statutory committees, required by the NZPHD Act 2000.

Hospital Advisory Committee (HAC)

The HAC is a statutory advisory committee that monitors, advises and provides recommendations to the Board on the financial and operational performance of Masterton Hospital and related services provided by the DHB. The committee also assesses strategic issues relating to the DHB’s provision of hospital and community health services. The committee is comprised of seven Board members.

Community and Public Health Advisory Committee (CPHAC)

The role of the CPHAC, which is also a statutory advisory committee, is to provide the Board with advice on the health and disability needs of our region’s population. The committee reports on significant matters that may affect our population’s health and advises the Board on priorities for the use of the health funding provided. The CPHAC advises the Board on how services funded and/or provided by the DHB, and the DHB’s policies, will impact our population. The committee is comprised of eight Board members.

Disability Support Advisory Committee (DSAC)

The role of the DSAC, another statutory advisory committee, is to advise the Board regarding the needs of the people with disabilities in the region, and prioritise the use of the money provided for those with a disability. The committee makes sure that the services provided or funded, and the policies adopted, promote the inclusion and

participation of people with disabilities in our society, and maximise their independence. The committee is comprised of five Board members and two co-opted representatives from the Wairarapa disability community.

Audit and Risk Committee

The Audit and Risk Committee monitors and reports risk, and advises the Board on its responsibilities in relation to integrity of financial reporting, risk management, and regulatory conformance. The committee is comprised of four board members.

These committees meet regularly throughout the year and are supported by the Board and Committee Secretaries, and members of the senior management team, as appropriate.

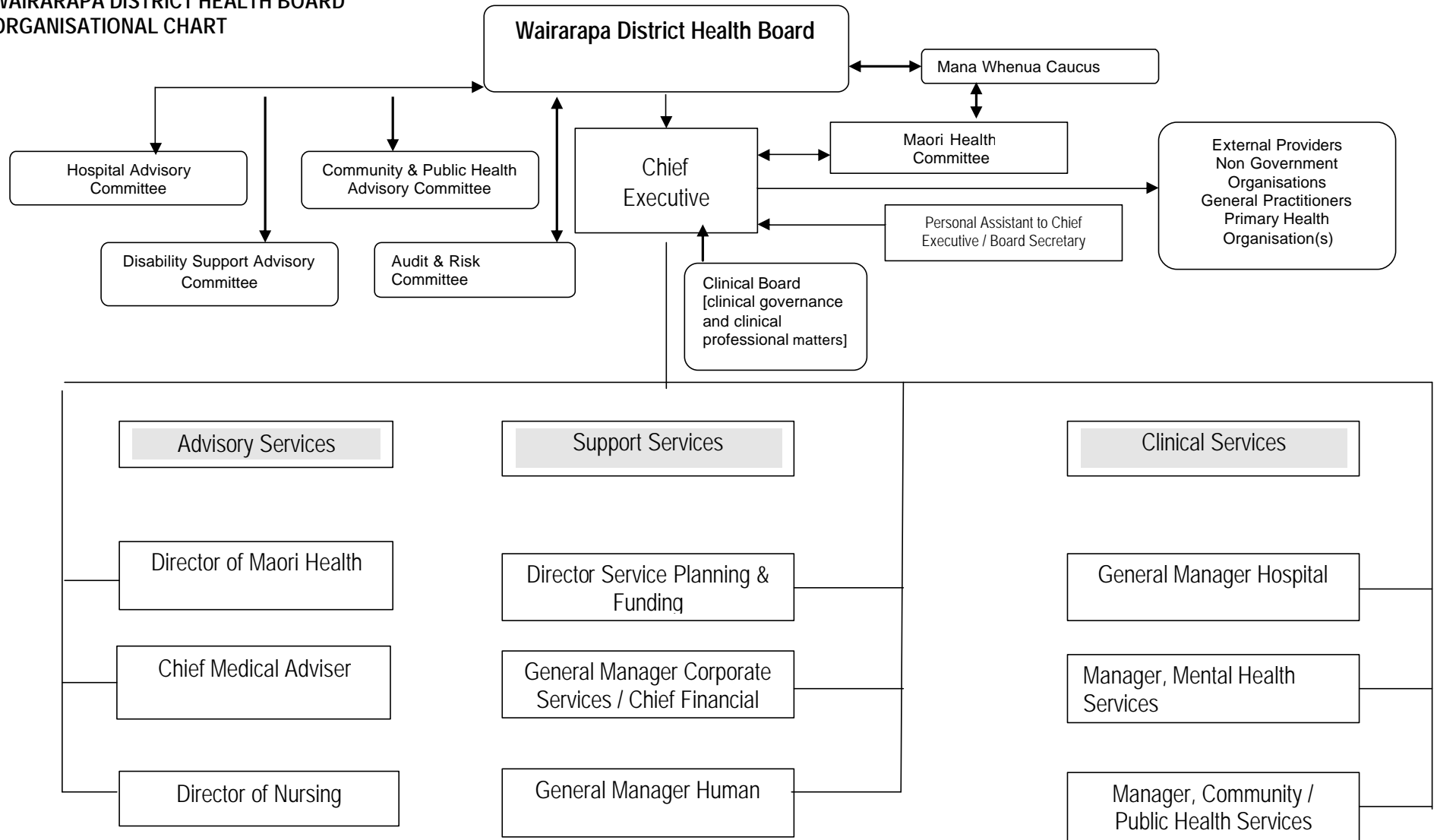
Meetings of the Board and the Hospital, Community and Public Health, and Disability Advisory Committees are open to the public, including media. The NZPHD Act 2000 allows for closed sessions for the discussion of confidential matters. Members of the public are also given the opportunity to speak at Board meetings. The Board publishes the dates and venues of all Board and subcommittee meetings, which are usually held monthly. Details of the meetings (such as agendas, minutes, membership of the committee, people who attended a meeting) are publicly available on www.wairarapa.dhb.org.nz.

The Wairarapa District Health Board has a relationship agreement with Mana Whenua o Wairarapa (representing the two Iwi) in which the partners agree to work together to improve Maori health outcomes.

Organisational Structure

The diagram on the following page illustrates the organisational structure of the DHB.

**WAIRARAPA DISTRICT HEALTH BOARD
ORGANISATIONAL CHART**



Managing Key Aspects of Capability

To achieve the objectives and targets set for the next three years the DHB will focus on continuing development of the following capabilities:

- to lead and manage service development and new models of care
- to relate effectively with other agencies and sectors, both locally and regionally
- to increase collaboration with other DHBs and develop shared regional approaches while maintaining local DHB focus and autonomy
- functional expertise in planning, funding and performance monitoring of health and disability services
- functional expertise in delivery or provision of high quality health and disability services
- functional expertise in good employment practice
- up to date expert knowledge in many areas
- linked information, communication and information management systems that enable fast information transfer, storage and retrieval between agencies
- modern, efficient facilities and technology that enable cost effective practice
- a culture that supports innovation, excellence, and efficiency.

Organisational capability development is ongoing. In 2005/06 much of the foundation work was laid for achieving the required capability in facilities, technology, information systems and workforce design, including the construction of the new Wairarapa Hospital. In 2006/07 this will continue as systems and processes are developed in the new hospital and implementation of the DHB's Information Systems Strategic Plan (ISSP) and workforce plan commences.

Productivity and Value for Money

Wairarapa DHB is committed to maximising cost effectiveness and efficiency across all of its activities and ensuring that services are provided as efficiently and effectively as in any comparable hospital or community service. All services funded are expected to be evidence based, and give priority to interventions that give the most benefits relative to the resources used. We will continue to collaborate with other DHBs wherever it is more cost effective.

Considerable efficiencies have been achieved over the past two years as progress is made towards full implementation of new models of care in the new Wairarapa Hospital. To date 85% of the planned efficiencies have been achieved and the DHB's annual operating deficit reduced by \$4.5million. Further efficiencies will be realised in 2006/07 when the transition to the new hospital is complete and the models of care made possible through modern hospital design are fully operational.

We use a variety of productivity measures and benchmarking to assess and promote service quality and efficiency, and these will continue to be developed and applied in 2006/07. The measures include caseloads and consultations per full time equivalent (FTE), consumer satisfaction and complaints, and timeliness. We monitor overall productivity of the DHB through measuring resource utilisation, the value of services provided compared the costs of providing those services. Resource utilisation increased from 87% in 2002/03 to 101% in 2004/05.

To date productivity measures have been limited mostly to DHB hospital services. In 2005/06 we have initiated productivity measures and targets for some non governmental organisation (NGO) provider services. This will be developed further in 2006/07.

On-going effort to increase the effectiveness of DHB and NGO services will also continue to improve health outcomes.

Quality and Safety

The Wairarapa DHB develops and maintains quality and safety systems, to ensure the services continually improve, yet at the same time ensure that services are delivered within available resources. All services must be delivered in an environment that is clinically and culturally safe, and result in positive health outcomes.

All DHB funded residential providers have met the requirements of the Health and Disability Sector Standards. All providers have achieved certification and many have achieved accreditation. This has provided the public with the assurance that services are being continuously reviewed and improved upon. The DHB has facilitated education and development of quality systems by holding education sessions for all providers such as; infection control, restraint minimization, code of rights, legislative compliance, and customer service.

Ensuring that the DHB can respond appropriately to a health event (with the assistance of additional MOH funding) led to the review of emergency preparedness plans, aligning systems to ensure the local approach was consistent and complementary to regional plans in place. A DHB pandemic plan has been completed, as has a complementary Primary Health Organisation (PHO) pandemic plan.

Clinical quality systems are continuing to be developed with the DHB Clinical Board reviewing clinical practices within the provider arm. A clinical governance framework will be developed in 2006/07 and new Clinical Director roles will have responsibility for the quality of care. The quality framework will also be reviewed.

The DHB provider arm will continue to develop quality systems. In 2006/07 reviews are planned of radiology, theatre utilisation, and discharge planning processes

With increasing awareness of emerging infectious disease, infection control systems have been reviewed, introduction of education, improved information and audit systems, and training of Infection control resources has benefited all providers. On-going improvements are expected in this area through the implementation of the Infection Control Programme.

Tikanga Best Practice guidelines have been developed that outline key traditional principles of tikanga and recommend ways to encompass Maori values and beliefs into frontline service delivery, and an on-going cycle of review of pathways of care for Maori is intended to ensure that services are effective for Maori. A review of the processes for collection and use of ethnicity data is planned to establish levels of access for Maori to health services.

Information Services and Information Technology

Although one of the smallest DHBs in terms of budget and staff numbers, the Wairarapa DHB has a relatively complex ICT environment to support the complex needs of the organisation. Development of the ICT environment is within the context of the recently re-developed Information Systems Strategic Plan (ISSP).

The DHB operates and maintains local and wide area networks across seven sites in the district, which service about 300 devices (PCs, Thin Client terminals and printers) to provide DHB staff with access to information systems. The network infrastructure also includes routers and firewalls that interconnect, route and secure authorised network traffic between the DHB's networks and others. During the past two years there has been considerable progress as evidenced in implementation of new IS-IT services including:

- Electronic discharge summaries
- Integrated radiology information and picture archiving communication system (RIS-PACS)
- Digital dictation system throughout Wairarapa hospital services
- Clinical information system for clinician use.

Looking forward, the 2005 revision of the Wairarapa DHB ISSP details a four year work programme and its alignment to the Health Information Strategy for New Zealand (HIS-NZ). Major projects that are planned for the coming year include completion of a technology infrastructure review and plan, implementation of an information system for the school dental service and replacement of the FMIS (financial management information system).

Workforce Development and Managing Organisational Health

Actions to support the sector's Workforce Action Plan include providing improved workforce data including implementing HWIP (Health Workforce Information Programme), improving relationships, for example: continuing to improve constructive engagement through the bipartite framework for the DHB; and building strategic capability such as implementing healthy workplace initiatives.

With regard to the DHB provider arm workforce, the new hospital development has provided a unique opportunity to develop the systems and processes that support excellent patient care, without the barriers of poor or outdated facility design. Over the years, Masterton Hospital has taken a fragmented approach to developing services and inefficient use of the workforce had developed. This is being addressed in the transition to Wairarapa Hospital, which has led to major changes to the workforce with many new and different roles, and changes in the way things are done.

Responsiveness to the needs of Maori continues to be an area of importance for this DHB. A relatively small proportion of DHB employees are Maori. To address this, recruitment processes have been designed to be more responsive to Maori. A significant initiative led by the DHB to develop the nursing capability for the district has been the establishment of the UCOL Bachelor of Nursing programme. This programme, commenced in 2004, has provided opportunities for a nursing career for local applicants. Eight Maori students are now in the third year of studies. Feedback from the placements has been that the experience is very positive for participants.

Additional initiatives include supporting iwi and marae groups in the development of their workforces, especially for women wanting to re-enter the workforce, and work being done with individual providers such as providing joint training opportunities and secondments. These initiatives are designed to develop capacity to deliver more by Maori for Maori services.

3.2. Risk and the Management of Risks

The nature and complexity of the DHB's activities and services mean that it is inevitably exposed to a wide variety of risks. Some of these risks are more acute in Wairarapa than elsewhere due to the small size of the organisation, small workforce and small funding base which make it more difficult to absorb fluctuations in resources and/or demand than may be the case in a larger DHB. In recognition of this, the Board has established the Audit and Risk Committee, which is proactive in monitoring and assessing risks to the organisation.

Broadly speaking, the DHB faces two types of risks: those we can manage by ourselves – those internal to the DHB itself; and external risks that fall more broadly across Central region DHBs, and/or the DHB sector as a whole. We can only manage these external risks by working jointly with other DHBs and/or the Ministry of Health.

The biggest risks facing the DHB going into 2006/07 relate to increasing labour costs from new multi employer collective agreements (MECAs), services for older people, IDFs and regional services, and expenditure on pharmaceuticals and pharmacy services.

Internal Risks

Changing Capacity And Capability

Although change processes implemented over the past two years have provided excellent outcomes, this needs to continue. The DHB will not fully achieve its operational objectives if the current change processes do not continue to result in the cultural, behavioural and capability shifts required. This risk will be addressed by increasing staff understanding and commitment through ongoing consultation, training, communication with staff, and strong management leadership.

Achieving Efficiencies

There is a risk that, now that most of the planned efficiencies associated with the new hospital development have been achieved, efforts will diminish and further efficiency gains may not be made, with consequent failure to meet financial targets. This risk is being addressed through strong management, ongoing training, internal communications and robust performance monitoring.

External Risks

MECAs

Continuing wage and salary growth at affordable rates is the DHB's greatest financial risk in 2006/07. Wage and salary rates are set through national processes in which this DHB is only one player. Employee remuneration expectations need to be brought into line with Government's expectations for health sector funding and productivity growth. This is being addressed by DHBs collectively through a series of sector-wide negotiations with different workforce groups. Wairarapa will continue to participate actively in all wage, salary and remuneration negotiations.

Aged Residential Care Services

There are significant risks regarding continuity and sufficiency of provision of aged residential care services in Wairarapa, including:

- growth in service need is outstripping local provider capacity
- small local service providers who are not financially viable
- lack of access to capital finance for development of additional capacity.

While to some extent these risks are common to all DHBs, there are some aspects unique to Wairarapa. We are managing these risks by working locally with service providers to find and implement effective local solutions, and with other DHBs and the Ministry of Health to address those strategic aspects that require a national approach.

Inter-district Flows and Regional Service Risks

We are particularly vulnerable to increasing pressures on inter-district flow (IDF) expenditure due to:

- national increases in prices for highly specialized services, greater than increases in DHB funding
- increasing application of new technologies.

There are serious affordability concerns with regional services and an urgent need for increased investment from regional DHBs to provide sustainability and to fund the new technologies required. Costs and expenditure are growing much faster than DHB funding due to:

- growth in the disease burden – for example numbers of patients needing renal dialysis increasing 8% per annum

- application of new technologies – for example expenditure on cancer treatment drugs is growing 30-40% per annum
- increasing specialization and growth of new areas such as cardiac electro-physiology.

Central region DHBs are agreed that these regional service issues should be addressed jointly and that each DHB can more effectively and efficiently meet its obligations to its local population by working together on shared regional approaches. As the DHB with proportionately the greatest share of total expenditure on regional services/IDFs, Wairarapa has most to gain, and the most at risk, from this process. This risk will be managed by active engagement and dialogue with neighbouring DHBs to identify and implement effective solutions, and strong advocacy through the regional chairs and CEOs working groups.

Pharmaceuticals and Pharmacy Services

There is serious risk that the DHB's uncapped, fee-for-service expenditure on pharmaceuticals and pharmacy services will exceed budget. There are many drivers of this expenditure growth external to the DHB. This risk will be addressed by working closely with:

- other DHBs and pharmacy groups to develop new agreements for pharmacy services and manage growth in fees for pharmacy services
- other DHBs, PHARMAC, and the primary health care sector, to plan and manage expenditure on pharmaceuticals.

3.3 DHB Planning and Funding

The Planning and Funding department is responsible for planning and funding the public health and disability services provided in our region according to national health and disability strategies and the needs of people in our region. Planning and Funding, through regular assessment of the health needs of the community, identify the need for health and disability services in our region. Planning and Funding staff ensure that the communities of our region are involved in the planning that we do. The Planning and Funding department makes sure that any advice it provides the board matches with the national strategies and government policy. The department is also responsible for identifying gaps in the services provided and developing services to fill the gaps.

Planning and Funding staff are responsible for preparation of the DHB's key accountability documents including the District Strategic Plan and annual Statement of Intent.

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

- primary care
- hospital and specialist services
- mental health services
- support services for people with age related disability (including residential services)
- Maori health.

Wairarapa DHB receives funding from the government for most Personal Health, Mental Health, Maori Health and Over-65s' Services in line with a national Service Coverage Schedule. Funding for Public Health and Under-65s' Disability Support Services is not provided through the DHB but directly from the Ministry of Health to the organisations that provide those services.

3.4 DHB Funded Services

3.4.1. Primary Health Care in Wairarapa

Wairarapa has one primary health organisation (PHO) encompassing all primary medical practices across the whole district. 97% of the district population are enrolled with the PHO. There are seven general practices, with at least one practice located in each town. The practices each provide comprehensive first line medical and

nursing services and collaborate to provide after hours service jointly. Other PHO services include: Care Plus; primary mental health care; services to improve access, and health promotion. PHO utilisation reports show increasing service use since the PHO commenced in January 2004, particularly by Maori, people in low socio-economic groups, and older people.

Wairarapa Community PHO and Wairarapa DHB are working together to address the Minister's priorities for progressing implementation of the Primary Health Care Strategy as follows:

<i>Collective Stewardship and Governance</i>	<p>Wairarapa DHB Health Needs Assessment information is developed and reviewed in discussion with the PHO and other community providers. Shared priorities for local service developments, including responses to national priorities, are agreed through iterative and collaborative strategic and annual planning processes that ensure PHO and DHB plans are aligned, widely supported and owned by both parties.</p> <p>Community engagement in PHO governance and operations facilitated by:</p> <ul style="list-style-type: none"> • Appointments of three community representatives (nominated by Wairarapa territorial local authorities) to the PHO trust board • Community membership (from a wide range of community organisations) on the PHO services committee that advises on service initiatives, service design, delivery and monitoring • Widely advertised, open, PHO Trust Board meetings and community forums, held at a range of venues across Wairarapa, including Marae. These are well attended by the public.
<i>Transparent national priorities – continuous performance improvement</i>	<p>Wairarapa Community PHO is included in the national PHO performance management programme, commencing during 2006. This programme will enable the DHB and PHO to monitor primary care performance against a range of measures and targets, with the focus on continuous improvement.</p>
<i>Enhanced delivery – increasing access to a continuum of services focused on reducing the incidence and impact of chronic conditions</i>	<p>Services to Increase Access (SIA) funding is being used effectively to increase service utilisation in all high needs groups. The range of initiatives includes provision of a transport service, and free outreach clinics in areas of high deprivation. A chronic disease management programme developed in one Wairarapa practice is now being rolled out across all Wairarapa practices. A project to improve access to after hours services is underway.</p>

3.4.2. DHB Provider Arm ie, Hospital and Specialist Services

Wairarapa hospital and its associated community and public health arm – Choice Health, provide a range of inpatient and outpatient services to the people of Wairarapa. As the hospital is relatively small, and serves a small population, a number of secondary and tertiary services are purchased from other district health boards, notably Capital Coast, MidCentral and Hutt DHBs.

The services that are currently provided by the Wairarapa DHB include:

- 24-hour Accident and Emergency, and Ambulance services;
- Assessment, Treatment and Rehabilitation (AT&R);

- Community Health and Public Health;
- Dental Health Services;
- Disability services;
- General Medicine;
- General Surgery/Urology and Orthopaedic Surgery;
- Laboratory, Radiology and pharmacy;
- mental health;
- public health services; and
- women and children's health services.

Key Contracted Service Outputs

The DHB's provider arm makes a contract with the Planning & Funding department of the DHB for the year. As part of this contract the hospital agrees to provide certain 'outputs'. These are listed in the table below.

Contracted Service	Measure/Unit	2005/06 Amt Estimated	2006/07 Amt Planned	Difference %
Medical Inpatient	Caseweights	2,238	2,238	0.0%
Surgical Inpatient	Caseweights	2,395	2,395	0.0%
Medical Outpatient	Attendances/Procedures	4,109	4,148	0.9%
Surgical Outpatient	Attendances/Procedures	10,513	10,578	0.6%
Mental Health	FTE	34.5	39.2	13.6%
Mental Health	Bed days	730	730	0.0%
Emergency Department	Number of patients	14,000	14,500	3.6%
Maternity	Deliveries	440	440	0.0%
Disability Support Services	Assessments/Bed days	5,215	5,261	0.9%
Personal/Community Health	Contacts/Clients	38,346	38,346	0.0%
Personal/Community Health	Domicillary Hours/Meals	13,400	14,600	9.0%
Personal/Community Health	Community Referred Tests	8,800	8,800	0.0%
Personal/Community Health	Pharmacy Dispensings	600	660	10.0%

3.4.3. Elective Services (ie. Booked Surgery)

The Wairarapa DHB is committed to meeting the government's expectations around elective services, particularly in the three key policy areas of:

- Patient Flow Management

Our DHB will comply with all Elective Services Patient Flow Indicators (ESPIs).²

- Level of Service (volumes, case weighted discharges, standardised intervention rates/standardised discharge ratios)

Our DHB will ensure that the hospital provides the amount of operations that they are contracted to do. We will deliver on our commitments in respect of the Orthopaedic and Cataract initiatives. We will review the key operations we perform to ensure we are delivering the right level of service for the people in our region.

- Order of Service (Prioritisation)

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

3.4.4. Mental Health Services

Wairarapa DHB funding, provision and development of mental health services is guided by the national mental health strategy, and in particular the emerging second national mental health plan - Te Tahuhu – Improving Mental Health 2005-2015. Te Tahuhu builds on the current mental health strategies and draws together government interest in mental health and addiction, and sets out government outcomes for mental health and addiction. Specifically, Te Tahuhu broadens the government's interest in mental health from people who are severely affected by mental illness to include all New Zealanders – while continuing to place emphasis on ensuring that people with the highest needs can access specialist services.

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

1. promotion and prevention
2. building mental health services
3. responsiveness
4. workforces and culture for recovery
5. Maori mental health
6. primary health care
7. addiction
8. funding mechanisms for recovery
9. transparency and trust
10. working together.

Wairarapa Mental Health Strategy

In July 2004 the Wairarapa DHB's Strategic Plan for Mental Health Services was adopted. It provides oversight and guidance to the development and delivery of mental health services for adults and has led to a reconfiguration of all residential and support services provided both in the Wairarapa and regionally.

The Wairarapa DHB now provides a small and unique community based mental health service for children, adolescents and adults. These services include:

- adult community mental health team
- crisis respite and recovery service
- child and adolescent service
- kaupapa Maori mental health and addiction service
- alcohol and addiction services, including residential support and community detoxification, and an opioid treatment program

² There are 8 indicators (ESPIs) of patient flows, for example, patients waiting more than 6 months from referral to their first specialist assessment.

- residential and community support services
- day activity programs – including consumer run support program and arts based activity program
- primary care mental health project

These services are complemented by agreements with two neighbouring DHBs for the provision of acute inpatient services, and with regional service providers for specialist services that support the local providers.

The focus for the year ahead will be on ensuring financial sustainability of acute services, and increasing mental health services for children and adolescents.

3.4.5. Health and Disability Support Services

Older People Services

Wairarapa DHB is progressively implementing the Health of Older People Strategy. Implementing the strategy by 2010 has required our DHB to review and refocus services to better meet the needs of the older people in our community now and in the future. Our local Health of Older People plan and strategic plan set out how we will develop more integrated health and disability services that are responsive to older people's varied and changing needs. The proportion of people receiving disability support who are being supported at home has been steadily increasing. This development reflects the DHB's focus on enabling older people to remain safely at home.

Services provided for and used mainly by older people include:

- Osteoporosis programme (PHO)
- Falls prevention programme (Arthritis Foundation, Sport Wairarapa, DHB, ACC)
- Koroua and kuia early intervention service
- Community Transport Service
- Needs assessment and service coordination (NASC)
- Assessment, treatment and rehabilitation (AT&R)
- Home-based support services (HBSS)
- District Nursing and community based allied health services
- Equipment and housing modification assessment and equipment loan
- Flexible packages of care through care coordination
- Health Recovery (transitional) programme
- Carer support services (residential respite care and NASC managed beds to ensure access, carer support coordinator, relief carer database, Day Activity Support)
- Hospital discharge coordinator
- Care Plus programme and lower fees for accessing general practitioners (PHO).
- Palliative care

The DHB is enhancing community based services through an increased range of service options to enable individual needs to be met so that older people can remain living at home. NGO home based providers are assisted with their staff retention and development through DHB funding, additional funding for travel and assistance with training. Service options to support people living at home are coordinated through the NASC agency and will be accessed through a single point of entry for home based nursing and support services (including NASC services). Service developments continue to support aging in place, with a wide range of services on the menu of independence.

Other Support Services

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

It is intended that all of the DHB's strategies and actions reflect the DHB's commitment to implementation of the New Zealand Disability Strategy and achievement of its vision of a fully inclusive society. This is being addressed by the DHB:

- being an inclusive employer
- working with the local disability community to ensure they have input to service planning and development and that people with disabilities have equal access to holistic health services, as well as to the disability support services they require to participate in the community
- ensuring DHB staff receive disability awareness training and practice it
- providing information in disability accessible formats
- working with all services and sectors to promote social inclusion and understanding of the needs of disabled people.

The DHB's Disability Support Advisory Committee reviews accessibility of services for people with physical and non-physical disabilities and ensures that identified barriers are addressed. This has been demonstrated through the commissioning of the new Wairarapa Hospital and will continue to be demonstrated through service developments.

3.4.6. Maori Health

Whakatataka³ sets out to achieve change within DHBs. DHB activities are directed at improving Maori health rather than efforts being concentrated on ad hoc programmes and initiatives. It seeks to build on the strengths and assets within whanau and Maori communities. There are four pathways for action:

Te Ara Whakahaere: Pathway Ahead – Implementing Whakatataka

- Te Ara Tuatahi: Pathway 1 – Developing whanau, hapu, iwi and Maori communities
- Te Ara Tuarua: Pathway 2 – Increasing Maori participation throughout the health and disability sector
- Te Ara Tuatoru: Pathway 3 – Creating effective health and disability services
- Te Ara Tuawha: Pathway 4 – Working across sectors.

The pathways for action in Whakatataka 2002-2005 continue and are integral to Wairarapa DHB. Four priority areas have been identified: primary health care, benchmarking and building quality data, developing whanau ora based models and increasing Maori participation – workforce development and governance.

Improving health outcomes for Maori continues to be a key focus of DHB activity. Maori are able to access services through mainstream providers and through two Maori health providers. Considerable gains have been achieved in recent years including:

- a relationship agreement between the Board and the Mana Whenua caucus that provides an overarching framework
- development of Maori providers within a collaborative framework and a provider collective
- development of a Maori health plan for the Wairarapa Community PHO
- increasing access to primary health care through outreach clinics and reduced cost GP visits
- increased health promotion activities, especially for kuia and kaumatua.

Te Kaupapa Hauora Maori o Wairarapa, the DHB's Maori Health plan for 2005 – 2008, looks to consolidate on these achievements in the coming years. The Board/ Mana Whenua relationship agreement will be renewed in the coming year, and will continue to underpin the development of health services for Wairarapa Maori.

Other areas of focus for the next three years include:

³ He Korowai Oranga: Maori Health Strategy sets the direction for Maori health development in the health and disability sector for 2002-2012 years. Whakatataka: Maori Health Action Plan 2002-2005 outlines what will be done to put the strategy in place. They are available on www.moh.govt.nz

- continuing to work with individual providers and the Maori provider collective to develop workforce capability and capacity
- ensuring the Wairarapa DHB's Treaty of Waitangi policy is a key component in the delivery of health services in the Wairarapa District Health Board
- maintaining and improving on current levels of Maori participation across the DHB recruitment processes, mainstream staff development, and the redevelopment of provider arm services
- maximising opportunities to increase Maori ability to influence planning and delivery of services through participation and representation throughout the DHB
- working with the Wairarapa Community PHO to increase Maori access to services in the wider Wairarapa community
- reviewing pathways of care for Maori patients accessing services
- Increasing use of outreach and marae based clinics to target specific health needs
- continuing to encourage education opportunities for Maori
- developing intersectoral support services for Koroua and Kuia in South Wairarapa.

3.4.7. DHB and Intersectoral Collaboration

For the Wairarapa, strong co-operative regional and sub-regional relationships are essential to ensure that full and efficient service coverage is maintained for Wairarapa residents through access to the services provided and/or funded by other DHBs, and to provide and promote specialist back-up and peer review for services delivered in the Wairarapa. Particularly close links have been established with Hutt Valley DHB. Wairarapa and Hutt Valley DHBs have a memorandum of understanding to work together. Central region DHB Chairs and CEOs meet regularly as part of managing collaboration.

The DHB maintains effective formal relationships and collaborations with a large number of agencies and groups. The Wairarapa DHB is committed to:

- sharing of resources with neighbouring DHBs and with other providers
- working collaboratively with all central region district health boards
- working collaboratively with the Ministry of Health
- working collaboratively with DHBNZ
- working collaboratively with NGOs and other service providers.

National Collaboration

Wairarapa DHB works with a number of sections of the Ministry of Health including Te Kete Hauora, and maintains a strong working relationship with its account manager. The DHB participates in a number of Ministry projects and reviews.

Wairarapa DHB is also an active participant in a number of DHBNZ work programmes to develop consistent approaches to implementation of national health policies and strategies. These include

- workforce development
- advancing the Primary Health Care Strategy
- developing and reviewing nationwide service agreements
- negotiations with PHARMAC
- pricing projects
- industrial relations
- aged residential care contract annual review
- oral health services contract annual review
- HWAC and DHBNZ Workforce Action Plan
- Tumu Whakarae.

Wairarapa DHB maintains an interest in the overarching DHBNZ Workplan and is a regular participant in Chairs and CEOs meetings to review and monitor progress.

Working with PHARMAC

Wairarapa DHB recognizes its statutory responsibility to act consistently with the pharmaceutical schedule and to support PHARMAC in its role to maintain and manage the schedule. The DHB supports work being done by DHBs and PHARMAC to enable more equitable access to pharmaceuticals across hospital and community settings, and development of consistent criteria for access to cancer drugs. Wairarapa DHB CEO is an observer on the Board of PHARMAC.

Regional Collaboration

Wairarapa DHB works closely with the Central Regions Technical Advisory Service –TAS, and the other Central region DHBs on a wide range of issues.

TAS was established with Ministerial approval in 2001 as a limited liability company under the Companies Act 1993 and is jointly and equally owned by the six DHBs in the central region. Each DHB participates in the governance of TAS through the board structure. The purpose of TAS is to provide the central region's DHBs with expert advisory services through health information, and service planning, to support local DHB decision-making. It does not have a mandate to make purchasing decisions. TAS also undertakes audit services for DHBs – reviewing and monitoring the contract performance of service providers, with the emphasis on quality and patient / community outcomes.

The Planning and Funding arms of the six central region DHBs have formally agreed to joint work programme that commits them to a number of regional projects to address a range of issues that are common to all six DHBs. TAS provides support for most of this regional project work. Key regional projects include data mining and analysis for DHB Health Needs Assessments, and referred services management.

Regional collaboration includes involvement in the following joint regional groups and projects:

- Referred Services Management
- Regional Capital Committee
- provider audit programme
- regional review and development of specific services region wide
- information strategic systems planning
- sharing of policies and workforce development opportunities
- joint recruitment and retention initiatives
- industrial relations, including MECA negotiations
- purchase of textile services from Allied Laundry, an entity owned by four DHBs
- Regional Maori Health Directorate
- regional mental health and alcohol and drug addiction service projects
- outcome reviews and analysis of effectiveness evidence.

Local Collaboration

Since the inception of the DHB in 2001 we have formed increasing links with the three Wairarapa District Councils and the Wellington Regional Council. We share information on the needs of the population and collaborate on socio-economic and environmental development policies and their impact on health

During 2005/06 we participated in discussions of community outcome objectives. The linkages between societal and health goals are becoming better understood and acknowledged. DHB staff are participating in a combined territorial local authority (TLA) and inter-sectoral working group that is preparing for the next round of long term community council plans (LTCCPs) and are providing health and disability needs assessment information as an input to the development of the LTCCPs.

The DHB also works inter-sectorally to advance initiatives in the community that will improve the health of this region and contribute to whanau ora. The DHB is an active participant in a many inter-sectoral groups and projects, including:

- Violence Free Wairarapa
- Strengthening Families

- Youth Offending Team
- Project Probe
- Healthy Homes
- Wairarapa Disability Roadshow
- Transport project
- Meningococcal Vaccine Strategy Steering Group.

4. IMPACTS, OUTCOMES AND OBJECTIVES

The DHB's objectives, targets and actions for 2006/07, and the following two years, have been determined from consideration of both national and local priorities to provide a plan that advances achievement of both Government and local goals.

4.1. National Strategic Context

In determining their population outcomes and priority actions for each year DHBs are required to address specific priority areas related to the New Zealand Health Strategy and the New Zealand Disability Strategy, as set out in the annual Minister's Letter of Expectations.

4.2. Annual Accountability Priorities for 2006/07

The Minister of Health's Letter of Expectations for 2006/07 requires DHBs to demonstrate progress in:

1. Relationships with other DHBs and relevant organisations to achieve developments such as: improved services, reduced transaction costs and further gains in areas relating to staff such as human resources/industrial relations, procurement and/or new interventions. Increased trust by ensuring financial transparency.
2. Reducing the chronic disease burden, including the Healthy Eating Healthy Action Strategic Framework, the Cancer Control Strategy and tobacco control.
3. Child and Youth services including hearing tests for neonates, increasing the scope of well child services for preschoolers, child and adolescent mental health services, improved oral health services, work towards free primary care services for under six year olds.
4. Primary Health Care including reduced costs for more people, continued shift towards a population approach to primary health care, increased PHO focus on prevention and early detection, broadening the range of health professionals involved in the management and co-ordination of a person's care.
5. The health of older people including support for them to remain at home for longer, support people when moving between their homes, residential care, assessment treatment and rehabilitation services, and primary services.
6. The Health Information Strategy and the findings from work streams on health workforce.
7. Improving cost effectiveness.
8. Continued progress, with emphasis on quality, safety and reducing inequalities, on the following:
 - o Elective surgery
 - o Breast screening
 - o Community mental health services
 - o Meningococcal B Immunisation Programme
 - o Maori health service provision
 - o Pacific health service provision
 - o The 'get checked' programme for Diabetes Mellitus
 - o Pandemic preparedness
 - o Working within budget
 - o Ensuring Board members have the requisite governance skills
 - o The New Zealand Health Strategy (2000)
 - o The New Zealand Disability Strategy (2001)
 - o He Korowai Oranga (Maori Health Strategy, 2002)
 - o Te Tahuu: Improving Mental Health 2005-2015 (2005)

- The Health of Older People Strategy (2002)
- The Primary Health Care Strategy (2001).

(Strategies listed above are available through the Ministry of Health website www.moh.govt.nz).

4.3. Wairarapa DHB Strategic Priorities and Directions

DHBs are expected to advance national priorities and strategies in ways that best meet the needs of their local communities, and maximise health gain for district populations. This is described in the DHB's Strategic Plan (DSP). Wairarapa DHB's DSP sets out the specific local population priorities and outcomes Wairarapa DHB intends to progress towards as it implements national policies and strategies.

During 2005/06 Wairarapa DHB's Strategic plan has been reviewed and revised. The DHB's new Strategic Plan for 2005-2015 sets out seven priorities for improving health and reducing inequalities in Wairarapa:

Wairarapa health gain priorities

- Improving the health of Maori
- Improving the health of people in low socio-economic groups
- Improving the health of older people
- Improving the health of children and youth
- Reducing the incidence and impact of chronic disease
- Reducing the incidence and impact of mental illness and addictions
- Reducing the incidence and impact of cancer.

Wairarapa Strategic Directions

The Strategic Plan sets five overarching strategic directions or themes that will be followed to achieve progress in the priorities listed above:

- Increased connectedness between all health and social services across the continuum
- Development of more holistic approaches by all services
- Addressing common risk factors through healthier lifestyles
- Increasing community wide collaborations across sectors
- Continually improving quality and safety of services.

Additional local objectives specific to 2006/07

2006/07 presents the DHB with some unique opportunities and challenges. These relate primarily to operation of the new Wairarapa Hospital, and relationships and funding arrangements with neighbouring DHBs.

Realise the potential of the new hospital

2006/07 will be the first full year in which the new hospital is operational. The new facility provides significant opportunities to improve:

- Service quality and safety
- Service accessibility and cultural appropriateness
- Cost effectiveness and efficiency.

Find solutions to regional issues

Central region DHBs are increasingly concerned about viability and affordability of regional specialist services and the funding arrangements that support them. There is growing recognition that the current IDF arrangements hinder service development planning, service efficiency and cost effectiveness and that all central region DHBs face significant risks in this area. During 2006/07 regional work will give priority to addressing these issues.

There is close alignment between the Minister's expectations and the DHB's priorities. Actions to address the Minister's expectations are consistent with the priorities set out in Wairarapa DHB's strategic plan.

4.4 Actions to Achieve Ministerial Expectations in 2006/07

The tables that follow on the next three pages summarise Wairarapa DHB activities that will contribute directly to achievement of the outcomes expected by the Minister of Health and the people of Wairarapa in 2006/07.

Minister's Expectation	Wairarapa DHB Actions Planned for 2006/07
Relationships with other DHBs, and other organisations to achieve improved services, reduced costs, and greater accountability and financial transparency	<ul style="list-style-type: none"> • Continue to work with other DHBs to: <ul style="list-style-type: none"> ○ Jointly plan and develop regional services and funding arrangements to provide clinical and financial viability, fair access, and efficient best practice through economies of scale and scope ○ Implement regional and national systems and processes for decision making regarding new technologies (SPNIA) ○ Reduce procurement costs through active participation in Lower North Island Buying Group ○ Negotiate multi employer collective agreements within DHB funding parameters • Work with AuditNZ to continue to improve the quality, and transparency of our financial and non-financial performance reporting
Reducing the chronic disease burden	<ul style="list-style-type: none"> • Fund and support the roll-out of the PHO chronic disease management system to all Wairarapa medical practices • Implement a range of Healthy Eating Healthy Action initiatives, with focus on obesity reduction, including implementation of: <ul style="list-style-type: none"> ○ "Active Wairarapa" inter-agency plan ○ Fizzy-Free DHB ○ Increased Green prescriptions
Child and youth services	<ul style="list-style-type: none"> • Continue to encourage and support "Health promoting Schools" • Increase health assessments in schools • Further develop and increase mental health and alcohol and drug services for children and youth • Work with outreach immunisation services to raise the percentage of two year olds who are fully immunised
Primary Health Care	<ul style="list-style-type: none"> • Ensure further roll-out of increased funding for primary care results in lower cost access for target groups • Work with Wairarapa PHO to increase uptake of: <ul style="list-style-type: none"> ○ Influenza vaccination ○ Care Plus ○ Green prescriptions • Fund implementation of new chronic disease management programme across all Wairarapa practices, and work with Wairarapa PHO to monitor and address chronic disease risks across the whole district
Health of Older People	<ul style="list-style-type: none"> • Work with residential and non-residential support service providers to develop restorative maintenance approaches and low stream rehab options in the community, linked with specialist AT&R • Develop new services to meet expanding numbers in older age groups • Further develop care co-ordination and case management across PHO, hospital and community services.
Health Information Strategy	<ul style="list-style-type: none"> • Complete phase 1 implementation of electronic medical record • Introduce electronic referral system at Wairarapa hospital • Implement requirements of new national outpatient data collection system • Implement routine use of Health Practitioner Index (HPI) numbers • Support full implementation of further developments in NIR, MHINC and MH-SMART, and HWIP
Improving cost effectiveness	<ul style="list-style-type: none"> • Continue to review and improve service effectiveness in all areas; ensuring expected efficiencies from operation of new hospital are realized • Monitor productivity, and achieve increases in : <ul style="list-style-type: none"> ○ Day case procedure rate ○ Theatre utilization ○ Resource utilisation ratio

Minister's expectation: continued progress in -	Wairarapa DHB actions planned for 2006/07
Elective services	<ul style="list-style-type: none"> • Improvements in delivery of services in: <ul style="list-style-type: none"> ○ Ophthalmology ○ ENT ○ General surgery ○ Gastroenterology ○ Urology • Regular monitoring and auditing to ensure patients are prioritised and treated appropriately
Breast Screening	<ul style="list-style-type: none"> • Work with Wairarapa PHO to increase uptake of screening by women aged 45-69 years
Community mental health services	<ul style="list-style-type: none"> • Implement new community residential service to support and treat people with alcohol and drug related disorders • Increase clinical staff in child and adolescent mental health services • Work with other DHBs to complete regional mental health services development plan
Meningococcal B immunisation programme	<ul style="list-style-type: none"> • Following completion of the initial mass vaccination programme in June 2006, and inclusion of MeNZB on the routine immunisation schedule, work with providers of Well Child, primary care and outreach immunisation services, utilising the NIR, to ensure increasing uptake of all immunisations on the schedule.
Maori health service provision	<ul style="list-style-type: none"> • Improve appropriateness of mainstream services for Maori by training staff in tikanga best practice • Increase Outreach Immunisation services delivered by Maori provider • Increase marae based clinics
Pacific health service provision	<ul style="list-style-type: none"> • Work with PHO to increase use of primary health services by Pacific people • Continue to provide outreach clinic in Pacific community setting
'Get checked' diabetes programme	<ul style="list-style-type: none"> • Continue to increase: <ul style="list-style-type: none"> ○ Numbers enrolled in the Get Checked programme ○ Numbers whose diabetes is well controlled (HbA1c <8)
Pandemic preparedness	<ul style="list-style-type: none"> • Continue to maintain and develop integrated pandemic preparedness plans locally and regionally • Maintain adequate stores of infection control items for use in event of a pandemic • Ensure all key staff receive regular CIMS training
Working within budget	<ul style="list-style-type: none"> • Continue to implement effective financial management and control • Working with other DHBs to achieve affordable MECA settlements
Ensuring Board members have the requisite governance skills	<ul style="list-style-type: none"> • Assess Board performance, skills and training needs annually • Provide ongoing training in corporate governance as indicated by Board performance reviews
The New Zealand Health Strategy	See separate table that follows
The New Zealand Disability Strategy	<ul style="list-style-type: none"> ○ Reconfigure home based support services to provide more flexible responses to disability needs ○ Further develop carer support services
He Korowai Oranga	<ul style="list-style-type: none"> • Provide new kaiawhina service in Wairarapa hospital • Review and renew relationship agreement with Mana Whenua
Te Tahuhu	<ul style="list-style-type: none"> • Implement year 1 DHB actions as specified in Te Tahuhu Action Plan
The Health of Older People Strategy	<ul style="list-style-type: none"> • Increase options for home based care, for both health and disability needs • Increase service volumes to meet growing population needs • Work with providers to improve viability of residential services
The Primary Health Care Strategy	<ul style="list-style-type: none"> • Strengthen alignment between PHO and Regional Public Health health promotion and disease prevention activity • Increase primary care use of multi-disciplinary approaches, particularly in primary mental health and sexual health services

New Zealand Health Strategy Priority	Wairarapa DHB 's Key Projects and Initiatives to be undertaken in 2006/07
Reduce smoking	<ul style="list-style-type: none"> • Nurse visits which are part of the Healthy Homes Project offer advice and referral for smoking cessation. • All GP Practices and Maori Health Provider offer smoking cessation • Continue smoke free hospital programme
Improve nutrition	<ul style="list-style-type: none"> • Baby Friendly Community Initiative pilot • Increased number of health promoting secondary schools • Become a 'Fizzy Free DHB' • Through public health, implement gardening initiatives in schools • Work closely with schools and early education providers to improve the nutrition and physical activity policies
Reduce obesity	<ul style="list-style-type: none"> • Increase rates of physical activity through District-wide (multi sector) implementation of the Wairarapa Physical Activity Plan ("Active Wairarapa"). • Increased Green Prescriptions • Reduce the impacts of morbid obesity through prioritised funding for bariatric surgery (subject to funding being available)
Increase physical activity	<ul style="list-style-type: none"> • Increase rates of physical activity through District-wide (multi sector) implementation of the Wairarapa Physical Activity Plan ("Active Wairarapa") • Target 150 participants in the 'Walk Wairarapa' programme this year • Work with Maori communities to introduce 'Walk Wairarapa' programme for Maori
Reduce suicide rates	<ul style="list-style-type: none"> • Increase mental health services provided for young people at school and in their own communities • Support intersectoral initiatives that improve 'connectedness' of young people at risk • Increase Child and Adolescent Mental Health workforce • Improved after hours triage and assessment through introduction of the 'Mental Health line
Reduce harm from alcohol and other drugs	<ul style="list-style-type: none"> • Increase the range of services provided for young people experiencing alcohol and drug abuse issues • Increase health promotion and education about the adverse effects of alcohol and drug abuse
Reduce the incidence and impact of cancer	<ul style="list-style-type: none"> • PHO Chronic Care management programme to promote best practice • Participate in the development of a regional cancer plan • Review and reconfigure palliative care in Wairarapa
Reduce the incidence and impact of cardiovascular disease	<ul style="list-style-type: none"> • Increase Care Plus provision by the PHO • PHO Chronic Care management programme to promote best practice
Reduce the incidence and impact of diabetes	<ul style="list-style-type: none"> • PHO Chronic Care management programme to promote best practice
Improve oral health	<ul style="list-style-type: none"> • Adolescent Oral Health coordinator will continue to work with dentists to increase the number of adolescents engaging with dental services • Work with Maori health providers to increase enrolments of preschoolers with dental therapists • Action first stage of Oral Health Strategy to develop more effective school dental services
Reduce violence	<ul style="list-style-type: none"> • Participate in interagency collaborative groups and projects to reduce family violence, child abuse and neglect • Continue to work with Family Start to increase uptake of services
Ensure access to appropriate child health care services	<ul style="list-style-type: none"> • Use the NIR as a tool to increase immunisation of young children • Work with Maori to support and further develop whanau ora and tamariki ora services • Collaborative approaches between primary, secondary and community based providers to identify and address child health priorities

5 FORECAST SERVICE PERFORMANCE: OUTPUT OBJECTIVES, MEASURES AND TARGETS

The primary objective or outcome for Wairarapa DHB is *Well Wairarapa – better health for all*.

The DHB's Strategic Plan identifies seven priority areas where the most progress may be made towards achieving improved health and well-being of people in Wairarapa. This section of the SOI shows how key actions planned for 2006/07 are expected to contribute to achievement of the DSP priority outcomes, and The Minister's expectations and the key measures we will use to assess progress and performance.

The performance measures used here are a mixture of national and local measures to show progress across DHB's priorities, the Ministry of Health's system level outcomes, and the Minister of Health's expectations. The next page shows how the measures chosen by Wairarapa DHB align with these.

The following pages then show the outcomes and measures in greater detail under each of the three DHB activity categories: Planning and Funding; Services Provision and Governance.

Performance targets are based on local Wairarapa health status and priorities. Where possible, we have included past performance (baseline data) along with each performance target to give context. In addition outcome targets for future years (2007/08 and 2008/09) are also included to show how Wairarapa DHB intends to make continual improvements.

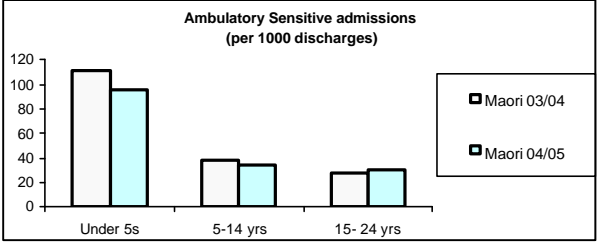
Ministry of Health System level Outcomes	Measures used in this SOI	Related Ministerial Expectation
Equity and Access	<p><i>National measures</i></p> <p>Primary care consultation by high needs people (SER-01) Percentage of diabetes patients with HbA1c <8 (POP-01) Mental health service (secondary) utilisation (POP-08) Ambulatory sensitive admissions (POP-13)</p> <p><i>Local measures</i></p> <p>Utilisation of primary medical care by Maori Utilisation of primary mental health services Breast and cervical screening programme coverage rates Percentage 12-18 year olds enrolled with and completing visits to dentists</p>	<p>Maori Health and continued implementation of He Korowai Oranga Primary Health Care Mental Health Reducing the chronic disease burden Breast screening</p>
Efficiency and Value For Money	<p><i>National measures</i></p> <p>Rate of voluntary staff turnover (HBI) Resource utilisation ratio (HBI)</p> <p><i>Local measures</i></p> <p>Board reviews of audit and risk reports Financial performance – net operating result</p>	<p>Improving efficiency and cost effectiveness Financial transparency Health Information Strategy</p>
Effectiveness	<p><i>National measures</i></p> <p>Child immunisation coverage (POP-12) Diabetes follow-up (POP-01)</p> <p><i>Local measures</i></p> <p>Evaluation of Board performance</p>	<p>Primary Health Care Strategy Child and youth health Reducing the chronic disease burden Diabetes "Get checked" Ensuring Board members have the requisite governance skills</p>
Quality	<p><i>National measures</i></p> <p>Number hospital acquired blood stream infections (HBI)</p> <p><i>Local measures</i></p> <p>Influenza vaccinations in people aged 65 years and above Percentages 'good' and 'very good' responses to Wairarapa hospital consumer satisfaction surveys</p>	<p>Continued progress in elective services Emphasis on quality, safety and reducing inequalities Reducing the chronic disease burden</p>

Intersectoral focus	<i>National measures</i> Number of schools that are health promoting schools (POP-01) <i>Local measures</i> Number of homes insulated through Healthy Homes project Number Green prescriptions issued Number of meetings held with Mana whenua HB and PHO	Reducing the chronic disease burden
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5.1 Planning and Funding: Strategic Plan Health Gain Priorities

The DHB performance measures for the Planning and Funding output class reflect the four population priorities and three health priorities identified in the DHB's Strategic Plan.

5.1.1 Maori Health

GOAL	RATIONALE																													
Improved health status for Maori in Wairarapa	The Wairarapa Health Status Report 2005 indicates that Maori have much worse health status than non-Maori across nearly all indicators. Disparities in health outcomes are greater between Maori and non-Maori than between any other population groups. The performance measures outlined here measure access and effectiveness of primary health care, which is expected to lead to better long term health outcomes for Maori.																													
Medium term outcomes	Performance measure	Performance Targets																												
Services are more effective for Maori	<p>Ambulatory sensitive admissions⁴- children and young people – numerator: number of ambulatory sensitive hospital discharges for Maori aged 0 to 24 Denominator: total Maori population aged 0 to 24</p>  <table border="1" data-bbox="403 853 1002 1093"> <caption>Ambulatory Sensitive admissions (per 1000 discharges)</caption> <thead> <tr> <th>Age Group</th> <th>Maori 03/04</th> <th>Maori 04/05</th> </tr> </thead> <tbody> <tr> <td>Under 5s</td> <td>103</td> <td>98</td> </tr> <tr> <td>5-14 yrs</td> <td>36</td> <td>35</td> </tr> <tr> <td>15-24 yrs</td> <td>25</td> <td>24</td> </tr> </tbody> </table>	Age Group	Maori 03/04	Maori 04/05	Under 5s	103	98	5-14 yrs	36	35	15-24 yrs	25	24	<p>Discharge rates for Maori per 1000 population</p> <table border="1" data-bbox="1042 779 1406 884"> <thead> <tr> <th>Age</th> <th>2006/07</th> <th>2007/08</th> <th>2008/09</th> </tr> </thead> <tbody> <tr> <td>0-4</td> <td>103</td> <td>100</td> <td>98</td> </tr> <tr> <td>5-14</td> <td>36</td> <td>35</td> <td>34</td> </tr> <tr> <td>15-24</td> <td>25</td> <td>24</td> <td>23</td> </tr> </tbody> </table>	Age	2006/07	2007/08	2008/09	0-4	103	100	98	5-14	36	35	34	15-24	25	24	23
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	<p>Diabetes Management The percentage of Maori with type 1 or Type 11 diabetes mellitus on a diabetes register that had an HbA1c of equal to or greater than 8% at their annual check during the reporting period. 2003 – 46% 2004 – 27% 2005 – 32%</p> <p>Diabetes results are reported by calendar year</p>	<p>2006 20%</p> <p>Ethnicity targets will be set annually based on previous year data</p>																												

⁴ Ambulatory sensitive hospitalizations are those resulting from diseases that are sensitive to interventions deliverable in a primary care setting, for example vaccine preventable diseases, and early recognition and control of asthma.

5.1.2 People in Low Socio-Economic Groups

GOAL	RATIONALE	
Improved health status for people in low socio-economic groups	<p>People who live in relatively deprived areas (the highest deciles as measured by the NZ Index of Deprivation) are twice as likely to die early from avoidable diseases. They are also much more likely to be admitted to hospital for diabetes, asthma and other chronic conditions, compared with the rest of the population. They face greater barriers to accessing health services – user charges and transport pose greater difficulties – than for people in better off groups. About 12% of the total Wairarapa population lives in the most deprived areas (Deciles 9 and 10).</p> <p>People in low socio-economic groups face particular barriers to accessing primary health care. They are more likely to lack transport, and to have difficulty meeting user part charges. Increasing access to primary care services for these groups is expected to result in improved health outcomes. ;</p> <p>Supporting the Wairarapa Healthy Homes programme that provides free and subsidised home insulation is expected to lead to improved outcomes for people with chronic conditions caused or exacerbated by inadequate home heating, including asthma, chronic obstructive respiratory disease and arthritis.</p>	
Medium term outcomes	Performance measure	Performance Targets
Lower barriers to access to primary health care	<p>Primary care consultations by high needs people - as proportion of all consultations:</p> <p>Methodology of measurement and targets will be established in 2006</p>	<p>2006/07 Baseline and targets to be established</p>
Healthier environments	<p>Number of homes insulated through Healthy Homes project</p> <p>(All recipients are offered free health assessment through nurse home visits)</p> <p>2005/06 – 100 homes insulated (expected to decrease in out years as targets are met and demand reduced)</p>	<p>2006/07 75 homes</p> <p>2007/08 up to 75 homes</p> <p>2008/09 up to 75 homes</p>

5.1.3 Health of Older People

GOAL	RATIONALE									
Improved health status for older people	<p>As people get older their health needs usually increase. Older people's problems are also more likely to be complex and the impact more severe and prolonged, and they are more likely to suffer from chronic conditions.</p> <p>Compared with other DHBs, Wairarapa has a greater proportion of older people and Wairarapa's population is also aging faster – the proportion of people in Wairarapa who are over 65 years is expected to grow from 17% in 2006 to 23% in 2016, and to over 30% in 2026.</p> <p>Avoidable admissions and rates of falls and fractures for older people are significantly higher in Wairarapa than in New Zealand as a whole.</p> <p>Increasing influenza vaccination rates are related to increasing access and use of primary care. Increasing access to primary and preventative care is expected to improve health outcomes and reduce avoidable admissions for older people..</p>									
<i>Medium term outcomes</i>	<i>Performance measure</i>	<i>Performance Targets</i>								
Lower barriers to access to primary health care	<p>Numbers of influenza vaccinations given:</p> <p>Number of people aged 65 years and above enrolled with the PHO who have been vaccinated as a proportion of total PHO enrolled people over 65 years</p> <p><i>2005 actual - 62.15% of population 65+</i></p>	<table border="1" data-bbox="1023 1010 1361 1081"> <thead> <tr> <th></th> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>% 65+</td> <td>67%</td> <td>70%</td> <td>73%</td> </tr> </tbody> </table>		2006	2007	2008	% 65+	67%	70%	73%
	2006	2007	2008							
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5.1.4 Child and Youth Health

GOAL	RATIONALE																									
Improved health status for Wairarapa's children, youth and their parents	2005 Health Needs Assessment information indicated children and youth in Wairarapa have poorer health than elsewhere. Addressing health issues for children and youth will increase the health of the adult population over the longer term. Since 2002 tamariki ora/well child services have been reconfigured, and immunisation information systems developed. In addition, immunisation services, including outreach, have been increased. Public consultation has indicated that youth health is now the most pressing issue. During 2005/06 Wairarapa DHB developed a Youth Health Plan. This will be used to develop service objectives and measures for future years. Improvements in the performance measures below will indicate significant health gains are being made. Oral health is a recognised precursor to on-going health and well-being in adulthood, and better use of primary health services, and improved immunisation coverage should result in a reduction in preventable hospitalisations. Effective health promotion in schools will result in short and long term health outcomes and a reduction in preventable disease burden.																									
Medium term outcomes	Performance measure	Performance Targets																								
Increased use of primary care	<p>Progress towards the national target of 95% of two year olds fully immunised.</p> <p><i>Baseline for Central South region (from National Survey of Immunisation Coverage):</i> <i>Diphtheria, Tetanus and Pertussis (DTap) vaccine dose 3 at one year of age = 89%</i> <i>Measles Mumps Rubella (MMR) vaccine dose 1 at 18months = 82%</i></p> <p>Ambulatory sensitive admissions⁵- children and young people – – numerator: number of ambulatory sensitive hospital discharges for people aged 0 to 24 Denominator: total population aged 0 to 24</p> <div data-bbox="379 1111 975 1406" style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Ambulatory Sensitive admissions (per 1000 discharges)</p> </div>	<p>2006/07</p> <p>DTaP dose 3 - 90%</p> <p>MMR dose 1 - 87%</p> <p>Discharges per 1000 population</p> <p>2006/07</p> <table border="1" data-bbox="1018 1066 1398 1173"> <thead> <tr> <th>Age</th> <th>Total</th> <th>Maori</th> <th>Pacific</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>0-4</td> <td>87</td> <td>103</td> <td>110</td> <td>75</td> </tr> <tr> <td>5-14</td> <td>24</td> <td>36</td> <td>34</td> <td>19</td> </tr> <tr> <td>15-24</td> <td>17</td> <td>25</td> <td>0</td> <td>14</td> </tr> </tbody> </table>	Age	Total	Maori	Pacific	Other	0-4	87	103	110	75	5-14	24	36	34	19	15-24	17	25	0	14				
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To improve practice of healthy lifestyles among children, young people and their whanau	<p>The number of schools in Wairarapa that are actively supported towards being Health Promoting Schools</p> <table border="1" data-bbox="368 1541 847 1621"> <thead> <tr> <th>2003/04 Actual</th> <th>2004/05 Actual</th> <th>2005/06 Actual</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>3</td> <td>8</td> </tr> </tbody> </table>	2003/04 Actual	2004/05 Actual	2005/06 Actual	1	3	8	2006/07 9 schools in total																		
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Improve adolescent oral health	<p>Percentages of adolescents (12-18 years) enrolled with and completing visits to dentists for free oral health services</p> <table border="1" data-bbox="368 1787 823 1883"> <thead> <tr> <th></th> <th>2003/04 actual</th> <th>2004/05 actual</th> <th>2005/06 forecast</th> </tr> </thead> <tbody> <tr> <td>Enrolments</td> <td>93%</td> <td>95%</td> <td>98%</td> </tr> <tr> <td>Completions</td> <td>68%</td> <td>72%</td> <td>NYA</td> </tr> </tbody> </table>		2003/04 actual	2004/05 actual	2005/06 forecast	Enrolments	93%	95%	98%	Completions	68%	72%	NYA	<table border="1" data-bbox="1018 1787 1425 1868"> <thead> <tr> <th></th> <th>2006/07</th> <th>2007/08</th> <th>2008/09</th> </tr> </thead> <tbody> <tr> <td>Enrolments</td> <td>95%</td> <td>95%</td> <td>98%</td> </tr> <tr> <td>Completions</td> <td>75%</td> <td>80%</td> <td>85%</td> </tr> </tbody> </table>		2006/07	2007/08	2008/09	Enrolments	95%	95%	98%	Completions	75%	80%	85%
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5.1.5 Reducing the Incidence and Impacts of Chronic Diseases

GOAL	RATIONALE																									
To reduce the incidence and impacts of chronic diseases	<p>Chronic conditions are any ongoing, long term or recurring health problems that can have a significant impact on a person's life. Chronic conditions currently account for 80% of all deaths and 70% of health services expenditure and the numbers of people with chronic conditions are rising dramatically worldwide. People live with chronic conditions for a long time – this affects all aspects of life for them and their family/whanau, and people affected by chronic conditions need to be better supported by services that are more holistic and better co-coordinated. Because chronic conditions have common risk factors – inactivity, unhealthy diets, obesity, stress, depression, smoking and alcohol mis-use much chronic illness is preventable.</p> <p>We will reduce the incidence of chronic conditions through population approaches; including promoting healthier lifestyles, and working with the PHO to increase identification of people most at risk of developing chronic conditions; and through individual approaches such as increasing access to primary health care, actively identifying and screening those at risk and encouraging seamless continuous care rather than episodic care.</p>																									
Medium term outcomes	Performance measure	Performance Targets																								
Healthier lifestyles	Number of Green prescriptions issued 2004/05: 58 green prescriptions issued January to December 2005: 189 green prescriptions issued	2006/07 300																								
Improved disease management	<p>Diabetes checks: The known number of people with diabetes who have an annual check vs. the expected number.</p> <p>Diabetes management: The percentage of people with type I or type II diabetes whose HBA1c blood tests results are greater than or equal to 8%</p> <p>Retinal screening: The percentage of people with diabetes who have had their eyes screened in the last two years</p> <p>Diabetes results are reported by calendar year</p>	2006 (diabetes checks) <table border="1" data-bbox="1070 1108 1425 1164"> <tr><th>Overall</th><th>Maori</th><th>Pacific</th><th>Other</th></tr> <tr><td>65%</td><td>50%</td><td>55%</td><td>69%</td></tr> </table> (diabetes management) <table border="1" data-bbox="1070 1220 1425 1276"> <tr><th>Overall</th><th>Maori</th><th>Pacific</th><th>Other</th></tr> <tr><td>15%</td><td>20%</td><td>30%</td><td>15%</td></tr> </table> (retinal screening) <table border="1" data-bbox="1070 1355 1425 1411"> <tr><th>Overall</th><th>Maori</th><th>Pacific</th><th>Other</th></tr> <tr><td>89%</td><td>85%</td><td>90%</td><td>90%</td></tr> </table>	Overall	Maori	Pacific	Other	65%	50%	55%	69%	Overall	Maori	Pacific	Other	15%	20%	30%	15%	Overall	Maori	Pacific	Other	89%	85%	90%	90%
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5.1.6 Mental Health

GOAL	RATIONALE																																					
<p>To reduce the incidence and impacts of mental illness</p>	<p>About 3% of the population have serious ongoing mental illness that requires specialist care and treatment from mental health services, about 12% experience moderate/mild mental illness and problems that require primary health services treatment and care. Access to mental health services in Wairarapa still falls well short of what is required – several more years of increasing services will be needed. Wairarapa DHB is committed to continuing implementation of mental health service growth towards Blueprint guidelines, and to the continuing development of service quality within the framework set out in the Central Region Mental Health Network Strategic Plan. 2005/06 was the first full year of implementation of reconfigured adult mental health services and the primary mental health initiative.</p> <p>We will reduce the incidence of mental illness and addictions through population approaches; including working with the community to increase understanding of mental illness and reduce stigma and discrimination, increasing community knowledge of the factors that promote good mental health and increasing ‘mental health awareness’ in all primary and community health services. We will reduce the effects of mental illness and addictions through individual approaches, including increasing mental health service capacity so that more people affected by serious mental illness and addictions have access to specialist treatment services and developing primary mental health services through the PHO to provide treatment and support for people affected by mild-moderate mental illness and addictions.</p>																																					
<i>Medium term outcomes</i>	<i>Performance Measure</i>	<i>Performance Targets</i>																																				
<p>Increase access to secondary mental health services</p>	<p>Percentage of the Wairarapa population within each age group who access mental health treatment and support services during one month</p> <table border="1" data-bbox="467 1077 914 1279"> <thead> <tr> <th>Age</th> <th>2003 Actual</th> <th>2004 Actual</th> <th>2005 Actual</th> <th>2006/07 Target</th> </tr> </thead> <tbody> <tr> <td>0-19 years</td> <td>0.57</td> <td>0.7</td> <td>1.57</td> <td>2.1</td> </tr> <tr> <td>20-64 years</td> <td>0.99</td> <td>1.2</td> <td>2.26</td> <td>3</td> </tr> <tr> <td>65 years & over</td> <td>0.23</td> <td>0.3</td> <td>1.8</td> <td></td> </tr> </tbody> </table>	Age	2003 Actual	2004 Actual	2005 Actual	2006/07 Target	0-19 years	0.57	0.7	1.57	2.1	20-64 years	0.99	1.2	2.26	3	65 years & over	0.23	0.3	1.8		<table border="1" data-bbox="1023 1016 1398 1122"> <thead> <tr> <th>Age</th> <th>2006/07</th> <th>2007/08</th> <th>2008/09</th> </tr> </thead> <tbody> <tr> <td>0-19</td> <td>2.1</td> <td>2.1</td> <td>2.1</td> </tr> <tr> <td>20-64</td> <td>2.5</td> <td>2.5</td> <td>2.5</td> </tr> <tr> <td>65+</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>	Age	2006/07	2007/08	2008/09	0-19	2.1	2.1	2.1	20-64	2.5	2.5	2.5	65+	N/A	N/A	N/A
Age	2003 Actual	2004 Actual	2005 Actual	2006/07 Target																																		
0-19 years	0.57	0.7	1.57	2.1																																		
20-64 years	0.99	1.2	2.26	3																																		
65 years & over	0.23	0.3	1.8																																			
Age	2006/07	2007/08	2008/09																																			
0-19	2.1	2.1	2.1																																			
20-64	2.5	2.5	2.5																																			
65+	N/A	N/A	N/A																																			
<p>Increase access to primary mental health services</p>	<p>Numbers of people who have accessed primary mental health “packages of care” during the year</p> <p>2005/06 target: 70 people</p>	<p>2006/07 70</p>																																				

5.1.7 Cancer

GOAL	RATIONALE	
To reduce the incidence and impacts of cancer	<p>Cancer covers a very large number of different diseases many of which are increasing as the population ages. While success rates for cancer treatments are improving, the numbers dying from cancer are still increasing as growing numbers of people are affected by cancer. Cancer is a leading cause of hospitalisation and death – the second highest cause of death in Wairarapa. Many cancers are potentially preventable, and with more health promotion and prevention the rates can be reduced. More screening, and early treatment can reduce the numbers of people who are affected by cancer for a long time, while more co-coordinated and accessible treatment, support and palliative care services can greatly reduce the impacts of cancer on patients and their families.</p> <p>Cancer control is a national priority.</p> <p>We will reduce the incidence of cancer through population approaches, including by supporting and encouraging healthy lifestyles and working with other sectors to create a healthier environment. We will reduce the impacts of cancer through individual approaches, including increasing access to, and enrolment in screening programmes for breast and cervical cancer, ensuring timely access to specialist cancer treatment services, including regional services, and developing clear pathways for treatment and management of cancer in Wairarapa.</p>	
<i>Medium term outcomes</i>	<i>Performance Measure</i>	<i>Performance Targets</i>
Increase uptake of screening programmes	<p>Breast screening coverage rate</p> <p>Baseline – 65.55% of eligible women (2005)</p> <p>Cervical screening coverage rate</p> <p>Baseline – 70% of eligible women (2005)</p>	<p>2006/07 – 70%</p> <p>2007/08 – 72%</p> <p>2008/09 – 74%</p> <p>2006/07 – 74%</p> <p>2007/08 – 76%</p> <p>2008/09 – 78%</p>

5.2 Provider: Hospital and Specialist Services

5.2.1 Hospital Efficiency and Effectiveness

Goal	Rationale																		
To provide services efficiently and effectively within available resources	The DHB is the major provider of health services in Wairarapa. To remain a clinically and financially sustainable provider, it must ensure that it continues to improve operating efficiency and effectiveness, and meets all contract requirements within budget.																		
Objective	Performance Measure	Performance Targets																	
To be a good employer and promote a work environment and culture that is: <ul style="list-style-type: none"> • Open, inclusive and constructive • Fosters partnerships • Encourages excellence, and • In which individuals feel valued 	Voluntary staff turnover – the number of employees who voluntarily resign during a quarter, divided by the total number of employees at the beginning of the quarter <table border="1" data-bbox="448 658 904 786"> <thead> <tr> <th>Quarter ended</th> <th>Dec 04</th> <th>Mar 05</th> <th>Jun 05</th> <th>Sept 05</th> <th>Dec 05</th> </tr> </thead> <tbody> <tr> <td>Voluntary staff turnover</td> <td>4.3</td> <td>3.9</td> <td>2.5</td> <td>3.0</td> <td>2.3</td> </tr> </tbody> </table>	Quarter ended	Dec 04	Mar 05	Jun 05	Sept 05	Dec 05	Voluntary staff turnover	4.3	3.9	2.5	3.0	2.3	2006/07 Average 4.0 or less across all 4 quarters 2007/08 Average 3.5 or less across all 4 quarters 2008/09 Average 3.0 or less across all 4 quarters					
Quarter ended	Dec 04	Mar 05	Jun 05	Sept 05	Dec 05														
Voluntary staff turnover	4.3	3.9	2.5	3.0	2.3														
To continuously improve quality, safety and patient satisfaction	Percentages of 'Good' and 'Very Good' responses received to inpatient and outpatient satisfaction surveys <table border="1" data-bbox="448 1093 1043 1220"> <thead> <tr> <th>Quarter ended</th> <th></th> <th>Dec 04</th> <th>Mar 05</th> <th>Jun 05</th> <th>Sept 05</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Good and Very Good responses</td> <td>Inpatient</td> <td>91.7%</td> <td>93.8%</td> <td>93.8%</td> <td>91.0%</td> </tr> <tr> <td>outpatient</td> <td>91.0%</td> <td>91.4%</td> <td>89.9%</td> <td>91.8%</td> </tr> </tbody> </table>	Quarter ended		Dec 04	Mar 05	Jun 05	Sept 05	Good and Very Good responses	Inpatient	91.7%	93.8%	93.8%	91.0%	outpatient	91.0%	91.4%	89.9%	91.8%	2006/07 Average 90 % or more across all 4 quarters
Quarter ended		Dec 04	Mar 05	Jun 05	Sept 05														
Good and Very Good responses	Inpatient	91.7%	93.8%	93.8%	91.0%														
	outpatient	91.0%	91.4%	89.9%	91.8%														
	Total number of Hospital acquired blood stream infections (HABSI) <table border="1" data-bbox="448 1375 904 1480"> <thead> <tr> <th>Quarter ended</th> <th>Dec 04</th> <th>Mar 05</th> <th>Jun 05</th> <th>Sept 05</th> <th>Dec 05</th> </tr> </thead> <tbody> <tr> <td>Number HABSI</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>In New Zealand and internationally about 10% of all patients admitted to hospital acquire an infection while in hospital. Of all hospital-acquired infections, blood stream infections are the most dangerous.</p>	Quarter ended	Dec 04	Mar 05	Jun 05	Sept 05	Dec 05	Number HABSI	0	0	0	0	0	2006/07 no more than 2 HABSI during the year					
Quarter ended	Dec 04	Mar 05	Jun 05	Sept 05	Dec 05														
Number HABSI	0	0	0	0	0														
To deliver services and use resources efficiently	Resource utilisation ratio – the value of services provided against the costs of providing those services. Ideally the ratio will be greater than 1, meaning that the value of the services provided is greater than the costs of producing them <table border="1" data-bbox="448 1816 963 1944"> <thead> <tr> <th>Year</th> <th>2002/03</th> <th>2003/04</th> <th>2004/05</th> <th>2005/06 forecast</th> </tr> </thead> <tbody> <tr> <td>Resource Utilisation Ratio</td> <td>0.878</td> <td>0.860</td> <td>1.01</td> <td>0.96</td> </tr> </tbody> </table>	Year	2002/03	2003/04	2004/05	2005/06 forecast	Resource Utilisation Ratio	0.878	0.860	1.01	0.96	2006/07 1.0							
Year	2002/03	2003/04	2004/05	2005/06 forecast															
Resource Utilisation Ratio	0.878	0.860	1.01	0.96															

5.3 Governance and Administration

Goal	Rationale											
The DHB is effectively and efficiently governed by its Board	The DHB is responsible for identifying needs, allocating funding, and providing services so as to meet needs and improve health outcomes for the people of Wairarapa. The performance of these responsibilities must be guided, overseen and monitored by an effective governance Board.											
Objective	Performance Measure	Performance Targets										
To provide effective leadership and responsibility for: <ul style="list-style-type: none"> Strategic direction Monitoring and evaluating achievement of strategic and operational results Facilitating appropriate involvement of the community and other stakeholders in service delivery, development and review Developing and monitoring governance policies that provide an adequate risk management framework and clear delegations to the chief executive 	Board monitoring of organisational performance against strategic and annual plans, through review of monthly and quarterly reports to the Board Audit and Risk Committee reviews and monitors, quarterly	All years Board reviews reports of performance against DAP financial and non-financial performance indicators, and Hospital Benchmark Indicators quarterly Board review audit and risk reports at least quarterly										
To maintain the Board's partnership relationship agreement with Mana Whenua and ensure Mana Whenua is consulted on: <ul style="list-style-type: none"> Health needs assessment information The District Strategic Plan The District Annual Plan 	Numbers of special meetings held with Mana Whenua to enable their participation in development of health needs assessment report, district strategic plan, district annual plans, and hospital development. Mana Whenua relationship agreement updated Number of joint DHB Board-Mana Whenua meetings held	2006/07 2 or more Mana Whenua relationship agreement reviewed and updated by June 2007 2006/07 - 3 or more										
To maintain a governance level relationship with Wairarapa's single PHO, and ensure DHB and WCPHO objectives are aligned	Number of joint DHB Board – PHO Board meetings held	2 or more										
To meet all financial targets and achieve and maintain financial breakeven	Actual financial performance ⁶ – net operating result - compared with expected, as shown in the approved District Annual Plan	Net surplus/(deficit): 2006/07 \$241,000 2007/08 \$296,000 2008/09										
	<table border="1"> <thead> <tr> <th></th> <th>2003/04 actual</th> <th>2004/05 actual</th> <th>2005/06 forecast</th> </tr> </thead> <tbody> <tr> <td>Net result</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2003/04 actual	2004/05 actual	2005/06 forecast	Net result						
	2003/04 actual	2004/05 actual	2005/06 forecast									
Net result												

⁶ Refers to financial performance of the parent, not consolidated.

6 Statements of Financial Performance

6.1 Financial Statements

The forecast financial statements have been prepared on the basis of assumptions as to future events that the Board reasonably expects to occur, associated with actions the Board reasonably expects to take, as at the date the statements were prepared.

The actual results achieved for the period covered by the forecast financial statements are likely to vary from the information presented, and the variations may be material. The forecast financial statements comply with section 142(1) of the Crown Entities Act 2004, and the information may not be appropriate for any other purpose.

The financial reporting standard about preparing prospective financial statements (FRS-42) says that the (prospective) forecast statements for an upcoming financial year should be prepared using the same standards as the statements at the end of that financial year.

The prospective (forecast) financial statements in this SOI have been prepared in accordance with NZ GAAP. However, from 1 July 2007 a new set of accounting standards will be used in New Zealand called the New Zealand Equivalents to International Financial Reporting Standards (NZIFRS). This means that the financial statements at the end of the financial years 2007/08 and 2008/09 will be prepared in accordance with the new NZIFRS but the prospective (forecast) statements in this document are prepared using the previous standards (NZ GAAP).

The prospective statements for 2007/08 and 2008/09 in this SOI do not comply with FRS-42 because the full impact of the NZIFRS has not yet been determined.

The forecast financial statements should be read in conjunction with the Statement of Accounting Policies included as Appendix 1.

Group Financial Statements

Wairarapa DHB comprises the parent DHB and its 100% owned subsidiary Biomedical Services New Zealand Limited. The forecast financial statements presented below are for the consolidated group.

Wairarapa District Health Board (Consolidated)
Forecast Statement of Financial Performance
For the year ended 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Revenue					
Revenue	81,857	90,162	94,146	98,148	101,545
Total Revenue	81,857	90,162	94,146	98,148	101,545
Expenditure					
Provider Expenditure	39,328	45,233	47,302	49,349	50,879
Operating Expenditure	40,876	41,603	42,340	44,174	45,950
Depreciation	1,163	1,801	2,385	2,472	2,547
Interest	490	969	1,411	1,410	1,403
Capital Charge	387	492	634	634	635
Total Expenditure	82,244	90,098	94,073	98,039	101,414
Net Surplus/(Deficit)	(387)	64	73	110	131
Gain/(Loss) on Sale of Assets	137	-	-	-	-
Taxation	(8)	(11)	(23)	(32)	(40)
Net Surplus/(Deficit)	(258)	53	50	78	91

Wairarapa District Health Board (Consolidated)
Forecast Statement of Movements in Equity
For the year ended 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Opening Equity	2,551	2,293	8,171	8,221	8,299
Equity Injection	-	5,825	-	-	-
Change in Revaluation Reserve	-	-	-	-	-
Net Surplus/(Deficit) for the Period	(258)	53	50	78	91
Closing Equity	2,293	8,171	8,221	8,299	8,390

Wairarapa District Health Board (Consolidated)
Forecast Statement of Financial Position
As at 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Public Equity					
Equity	10,495	16,320	16,320	16,320	16,320
Revaluation Reserve	-	-	-	-	-
Retained Earnings	(8,202)	(8,149)	(8,099)	(8,021)	(7,930)
Total Equity	2,293	8,171	8,221	8,299	8,390
<i>Represented by:</i>					
Current Assets					
Bank in Funds	194	361	1,704	1,049	1,616
Receivables	8,148	3,638	3,711	4,024	4,039
Other Current Assets	2,259	1,250	1,250	1,250	1,250
Total Current Assets	10,601	5,249	6,665	6,323	6,905
Current Liabilities					
Bank Overdraft	288	-	-	-	-
Payables & Provisions	13,269	9,494	10,051	9,242	9,428
Short Term Borrowings	6,166	-	250	250	250
Total Current Liabilities	19,723	9,494	10,301	9,492	9,678
Net Working Capital	(9,122)	(4,245)	(3,636)	(3,170)	(2,773)
Non Current Assets					
Property, Plant & Equipment	17,207	32,818	32,062	31,578	31,176
Other Investments	-	-	-	-	-
Trust Funds	145	50	50	50	50
Total Non Current Assets	17,352	32,868	32,112	31,628	31,226
Non Current Liabilities					
Borrowings	5,412	20,000	19,803	19,707	19,611
Provisions	380	402	402	402	402
Trust Funds	145	50	50	50	50
Total Non Current Liabilities	5,937	20,452	20,255	20,159	20,063
Net Assets	2,293	8,171	8,221	8,299	8,390

Wairarapa District Health Board (Consolidated)
Forecast Statement of Cash Flows
For the year ended 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Operating Cash Flows					
Cash Receipts	80,621	94,612	94,125	97,690	101,075
Interest Received	162	100	50	50	50
Payments to Providers	(38,950)	(45,233)	(47,302)	(48,235)	(48,967)
Payments to Employees & Suppliers	(38,643)	(46,227)	(41,826)	(46,091)	(47,380)
Interest Paid	(451)	(969)	(1,410)	(1,411)	(1,403)
Capital Charge Paid	(775)	(492)	(635)	(635)	(635)
Net Operating Cash Flows	1,964	1,791	3,002	1,368	2,740
Investing Cash Flows					
Cash Received from Sale of Fixed Assets	224	1,775	-	-	-
Cash Paid for Purchase of Fixed Assets	(8,238)	(17,691)	(1,712)	(1,927)	(2,077)
Net Investing Cash Flows	(8,014)	(15,916)	(1,712)	(1,927)	(2,077)
Financing Cash Flows					
Net Loans Drawn	11,340	8,660	135	-	-
Net Equity Drawn	-	5,825	-	-	-
Loans Repaid	(6,343)	-	(82)	(96)	(96)
Restricted Funds Movement	(23)	95	-	-	-
Net Financing Cash Flows	4,974	14,580	53	(96)	(96)
Net Cash Flows	(1,076)	455	1,343	(655)	567
Opening Cash Balance	982	(94)	361	1,704	1,049
Closing Cash Balance	(94)	361	1,704	1,049	1,616
<i>Represented by:</i>					
Bank in Funds	194	361	1,704	1,049	1,616
Bank Overdraft	(288)	-	-	-	-
Total Cash on Hand	(94)	361	1,704	1,049	1,616

Parent Financial Statements

The following forecast financial statements consist of the summary of financial performance for the three dimensions of the parent DHB (Funder, Provider and Governance) and the forecast financial statements for the consolidation of the three dimensions to the parent DHB financial results.

Output Class
Net Results
For the year ended 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Funds					
Revenue	76,345	84,000	87,836	91,262	94,091
Expenditure	76,780	83,983	87,836	91,262	94,091
Net Result	(435)	17	-	-	-
Provider					
Revenue	40,745	42,231	43,839	45,330	46,735
Expenditure	40,590	42,223	43,836	45,320	46,731
Net Result	155	8	3	10	4
Governance					
Revenue	1,570	1,578	1,600	1,654	1,706
Expenditure	1,563	1,572	1,600	1,651	1,700
Net Result	7	6	-	3	6
Internal Eliminations					
Revenue	(37,725)	(38,750)	(40,534)	(41,912)	(43,211)
Expenditure	(37,725)	(38,750)	(40,534)	(41,912)	(43,211)
Net Result	-	-	-	-	-
Total					
Revenue	80,935	89,059	92,741	96,334	99,320
Expenditure	81,208	89,028	92,738	96,321	99,310
Total Net Results	(273)	31	3	13	10

Wairarapa District Health Board (Parent)
Forecast Statement of Financial Performance
For the year ended 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Revenue					
Revenue	80,935	89,059	92,741	96,333	99,320
Total Revenue	80,935	89,059	92,741	96,333	99,320
Expenditure					
Provider Expenditure	39,328	45,233	47,302	49,349	50,879
Operating Expenditure	39,977	40,637	41,120	42,578	43,968
Depreciation	1,163	1,697	2,270	2,350	2,425
Interest	490	969	1,411	1,410	1,403
Capital Charge	387	492	634	634	635
Total Expenditure	81,345	89,028	92,738	96,321	99,310
Net Surplus/(Deficit)	(410)	31	3	13	10
Gain/(Loss) on Sale of Assets	137	-	-	-	-
Taxation	-	-	-	-	-
Net Surplus/(Deficit)	(273)	31	3	13	10

Wairarapa District Health Board (Parent)
Forecast Statement of Movements in Equity
For the year ended 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Opening Equity	2,361	2,088	7,944	7,947	7,960
Equity Injection	-	5,825	-	-	-
Change in Revaluation Reserve	-	-	-	-	-
Net Surplus/(Deficit) for the Period	(273)	31	3	13	10
Closing Equity	2,088	7,944	7,947	7,960	7,970

Wairarapa District Health Board (Parent)
Forecast Statement of Financial Position
As at 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Public Equity					
Equity	10,495	16,320	16,320	16,320	16,320
Revaluation Reserve	-	-	-	-	-
Retained Earnings	(8,407)	(8,376)	(8,373)	(8,360)	(8,350)
Total Equity	2,088	7,944	7,947	7,960	7,970
<i>Represented by:</i>					
Current Assets					
Bank in Funds	-	219	1,512	794	1,291
Receivables	8,008	3,465	3,548	3,868	3,888
Other Current Assets	2,259	1,250	1,250	1,250	1,250
Total Current Assets	10,267	4,934	6,310	5,912	6,429
Current Liabilities					
Bank Overdraft	288	-	-	-	-
Payables & Provisions	13,125	9,323	9,873	9,057	9,236
Short Term Borrowings	6,166	-	250	250	250
Total Current Liabilities	19,579	9,323	10,123	9,307	9,486
Net Working Capital	(9,312)	(4,389)	(3,813)	(3,396)	(3,057)
Non Current Assets					
Property, Plant & Equipment	17,087	32,630	31,860	31,360	30,935
Other Investments	103	103	103	103	103
Trust Funds	145	50	50	50	50
Total Non Current Assets	17,335	32,783	32,013	31,513	31,088
Non Current Liabilities					
Borrowings	5,412	20,000	19,803	19,707	19,611
Provisions	378	400	400	400	400
Trust Funds	145	50	50	50	50
Total Non Current Liabilities	5,935	20,450	20,253	20,157	20,061
Net Assets	2,088	7,944	7,947	7,960	7,970

Wairarapa District Health Board (Parent)
Forecast Statement of Cash Flows
For the year ended 30 June 2007

	2004/05 Actual \$000's	2005/06 Forecast \$000's	2006/07 Budget \$000's	2007/08 Budget \$000's	2008/09 Budget \$000's
Operating Cash Flows					
Cash Receipts	79,713	93,502	92,691	95,844	98,817
Interest Received	158	100	50	50	50
Payments to Providers	(38,950)	(45,233)	(47,302)	(48,235)	(48,967)
Payments to Employees & Suppliers	(37,817)	(45,205)	(40,519)	(44,385)	(45,269)
Interest Paid	(451)	(969)	(1,410)	(1,411)	(1,403)
Capital Charge Paid	(775)	(492)	(635)	(635)	(635)
Net Operating Cash Flows	1,878	1,703	2,875	1,228	2,593
Investing Cash Flows					
Cash Received from Sale of Fixed Assets	224	1,775	-	-	-
Cash Paid for Purchase of Fixed Assets	(8,202)	(17,551)	(1,635)	(1,850)	(2,000)
Net Investing Cash Flows	(7,978)	(15,776)	(1,635)	(1,850)	(2,000)
Financing Cash Flows					
Net Loans Drawn	11,340	8,660	135	-	-
Net Equity Drawn	-	5,825	-	-	-
Loans Repaid	(6,343)	-	(82)	(96)	(96)
Restricted Funds Movement	(23)	95	-	-	-
Net Financing Cash Flows	4,974	14,580	53	(96)	(96)
Net Cash Flows	(1,126)	507	1,293	(718)	497
Opening Cash Balance	838	(288)	219	1,512	794
Closing Cash Balance	(288)	219	1,512	794	1,291
<i>Represented by:</i>					
Bank in Funds	-	219	1,512	794	1,291
Bank Overdraft	(288)	-	-	-	-
Total Cash on Hand	(288)	219	1,512	794	1,291

Assumptions

The key underlying assumptions in preparing the financial projections for the group and parent are:

- No significant change to previous year's service volumes, except where additional funding has been provided to the DHB, e.g. Mental Health ring-fence funding or specifically contracted;
- Income inflation will be set as per the funding envelope provided by the Ministry of Health;
- Collective employment agreements will be settled within the DHB's funding parameters, and Treasury's forecasted labour cost index. Any additional costs to move to national rates, if directed, will be cost neutral to the DHB;
- Expenditure on pharmaceuticals and pharmacy services will be no greater than 6%;
- Increases in DHB expenditure arising from changes in income and asset test thresholds will met fully by additional funds provided by the Ministry of Health;
- The national price increase to be agreed for Aged Residential Care Services, from 1 July 2006, will result in increased cost to the DHB, no greater than 2.93%;
- 2006/07 Volume growth in utilisation of aged care services will be no greater than the DHB's rate of demographic funding growth of 1.65%;
- The financial impact of changes in DSS boundaries, and any further contracts/funding responsibilities devolved to the DHB will be cost neutral;
- The DHB will receive additional funding to address the costs of:
 - Implementing improvements to school dental services;
 - Flow on costs from the NZNO settlement to other professional groups;

- Revenue and expenditure on inter-district flows will be as advised;
- Inflation on supplies, outsourced services and non-Ministry of Health revenue has been set at 2% for each of the three years;
- Depreciation has been assumed at the rates shown in the latest annual report;
- The capital charge is based on 8% of equity;
- Interest on term debt is at an annual rate of 7%;
- New government/MOH policies and initiatives that have financial impact will be fully offset by increased funding from the MOH;
- Wairarapa DHB will retain its early payment status.

6.2 Capital Expenditure

Wairarapa DHB is completing the construction of the new Wairarapa Hospital with construction completed in March 2006. No other significant capital expenditure requiring National Capital Committee approval is planned at the time of writing.

Wairarapa DHB has completed an Asset Management Plan (AMP) and is committed to a continuous improvement in its asset management practices. As asset management and the AMP continue to be developed over the period covered by this planning period the table shown below may change to reflect the changing priorities for the available capital dollar.

The following table shows the capital expenditure planned by the DHB over the planning period.

Wairarapa District Health Board			
Capital Expenditure			
For the year ended 30 June			
	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Property & Equipment	120	50	50
Information Systems & Technology	720	850	900
Clinical Equipment	600	900	1,000
Other	60	50	50
Total Capital Expenditure	1,500	1,850	2,000

6.3 Other Policies

Shares or Interests in a Body Corporate or Association of Persons

The Wairarapa DHB will seek the consent of the Minister of Health as required by the New Zealand Public Health and Disability Act 2000 (Section 28) using the process set out in CAB (00) M 32/2A (1).

Financial Surplus

The Wairarapa DHB will seek to match annual operating expenditure to income over time.

The Wairarapa DHB will apply any surpluses to debt reduction and to partially fund Wairarapa DHB capital developments. The Wairarapa DHB will retain any surpluses over and above this, for reinvestment in health services with the objective of improving the quality, safety and efficiency of service delivery.

Ethical Guidelines

The Wairarapa DHB will uphold the ethical standards and code of rights expected of providers of health and disability services. In doing so, the Wairarapa DHB embraces the following principles:

- Respect for the dignity, rights and cultural needs of the public, patient or mental health consumer.
- The individual has ultimate responsibility for their health and well-being. Staff in the Board's employment will work in partnership with patients to facilitate positive health outcomes.
- We must inform all patients or mental health consumers, treat them equally, and grant priority for health or disability services according to each person's assessed need or ability to benefit.
- The Wairarapa DHB will take due care to ensure the safety of patients in its care.
- We require our staff to practice according to their professional code of ethics.
- We protect trust and bequest funds, and only apply them as prescribed by the donors.

Information Flows

The Wairarapa DHB provides to the Minister the following documents and information:

- an annual plan;
- an annual report and audited financial statements within four months of the end of the financial year;
- reports against the statement of intent as required;
- reports on any other significant matters that may be identified;
- all performance measures required by the Ministry of Health as part of their monitoring regimes. This includes monthly and quarterly statistics, within the deadlines specified by the Ministry of Health;
- a district strategic plan; and
- information as requested to enable the preparation of Ministerial briefings, responses to Parliamentary questions, select committee enquiries and routine Ministerial correspondence.

The Wairarapa DHB will make available to the public:

- an annual plan after approval by the Wairarapa District Health Board and the Minister;
- an annual report as above;
- board meeting agendas and minutes;
- a range of information regarding services, standards and protocols and general activity and performance information, during the year; and
- a district strategic plan.

These reports will contain such information as is necessary to enable an informed assessment of the operations, including the comparison of performance against targets.

6.4 Disposal of Land

Dealings with land will be in accordance with Schedule 3, Clause 43 of the New Zealand Public Health and Disability Act 2000.

APPENDIX 1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Wairarapa DHB is a statutory entity in terms of the Crown Entities Act 2004.

The group consists of Wairarapa DHB, its subsidiary Biomedical Services New Zealand Limited (100% owned) and joint venture the Central Region Technical Advisory Service Limited (TAS) which is one sixth owned.

The financial statements and group financial statements of Wairarapa DHB have been prepared in accordance with the requirements of the New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989. In addition, funds administered on behalf of patients have been reported as a note to the financial statements.

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain Property, Plant and Equipment.

Accounting Policies

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

Basis of Consolidation – Purchase Method

The consolidated financial statements include the parent DHB and its subsidiary. The subsidiary is accounted for using the purchase method which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis.

All significant inter-entity transactions are eliminated on consolidation.

Budget Figures

The budget figures are those approved by the Board and published in its Annual Plan. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of these financial statements.

Goods and Services Tax

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

Taxation

Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or tax bases are only recognised where there is virtual certainty of realisation.

Trust and Bequest Funds

Donations and bequests to Wairarapa DHB are recognised as revenue. Wairarapa DHB is a public authority under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under Section CB3 of the Income Tax Act 1994.

The wholly owned subsidiary company, Biomedical Services New Zealand Limited, is subject to income tax. Income tax expense is charged in the group statement of financial performance in respect of its current year's earnings after allowing for permanent differences. On receipt in the statement of financial performance, except where the restrictive conditions are such that the Board has a liability to the donor.

Accounts Receivable

Accounts receivable are stated at expected realisable value after providing for doubtful and uncollectible debts.

Inventories

Inventories are valued at the lower of cost, determined on a weighted average basis, and net realisable value after allowing for slow moving and obsolete items.

Investments

Investments, including those in subsidiary and associated companies, are stated at the lower of cost and net realisable value. Any decreases are recognised in the Statement of Financial Performance.

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 Wairarapa Health Limited (a Hospital and Health Service) were vested in Wairarapa DHB on 1 January 2001. Accordingly, assets were transferred to Wairarapa DHB at their net book values as recorded in the books of the Hospital and Health Service. In effecting this transfer, the Board has recognised the cost (or in the case of land and buildings - the valuation) and accumulated depreciation amounts from the records of the Hospital and Health Service. The vested assets will continue to be depreciated over their remaining useful lives.

Property, Plant and Equipment Acquired Since the Establishment of the Wairarapa DHB

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

Revaluation of Land and Buildings

Land and buildings are revalued every three years to their fair value as determined by an independent registered valuer by reference to their highest and best use. Additions between revaluations are recorded at cost. The results of revaluing land and buildings are credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the asset revaluation reserve, the debit balance is expensed in the Statement of Financial Performance.

Disposal of Property, Plant and Equipment

When a fixed asset is disposed of, any gain or loss is recognised in the Statement of Financial Performance and is calculated as the difference between the sale price and the carrying value of the fixed asset.

Properties Intended for Sale

Properties intended for sale are valued at the lower of cost or net realisable value.

Depreciation

Depreciation is provided on a straight line basis on all Property, Plant and Equipment other than freehold land, at rates that will write off the cost (or revaluation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings and fit out	2–50 years	2–50%
Plant and equipment	2.5–15 years	6.5–40%
Motor vehicles	5–12.5 years	8–20%
Leased assets	2.5–15 years	6.5–40%

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

Employee Entitlements

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

Leases

Finance Leases

Leases which effectively transfer to Wairarapa DHB substantially all the risks and benefits incident to ownership of the leased items are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period Wairarapa DHB is expected to benefit from their use.

Operating Leases

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

Financial Instruments

Wairarapa DHB seeks to minimise exposure arising from its treasury activity. The Wairarapa DHB is not authorised by its treasury policy to enter any transactions that are speculative in nature.

Wairarapa DHB (and group) is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, investments, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenue and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Except for loans, which are recorded at cost, and those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

Statement of Cash flows

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

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

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

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

Foreign Currency Translations

Transactions denominated in foreign currencies (other than forward exchange contracts) are translated at the rate of exchange ruling at the transaction date. Short term transactions covered by forward exchange contracts are measured and reported at the forward rates specified in the contracts.

At balance date foreign monetary assets and liabilities are translated at the closing rate and exchange differences arising from the transactions are recognised in the statement of financial performance.

Cost of Service Statements

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

Cost Allocation

Wairarapa 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 major board activities. Indirect costs are charged to major board activities based on cost drivers and related activity/usage information.

Criteria for Direct and Indirect Costs:

Direct costs are those costs directly attributable to a specific Wairarapa DHB activity.

Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific Wairarapa DHB activity.

Cost Drivers for Allocation of Indirect Costs

The cost of internal services not directly charged to board activities is allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area. For the year ended 30 June 2005, indirect costs accounted for 14% of Wairarapa DHB's total costs.

Changes in Accounting Policies

There have been no changes from the accounting policies adopted in the last audited financial statements. All policies have been adopted on a basis consistent with the previous period.

International Financial Reporting Standards

The financial reporting standard about preparing prospective financial statements (FRS-42) says that the (prospective) forecast statements for an upcoming financial year should be prepared using the same standards as the statements at the end of that financial year.

The prospective (forecast) financial statements in this SOI have been prepared in accordance with NZ GAAP. However, from 1 July 2007 a new set of accounting standards will be used in New Zealand called the New Zealand Equivalents to International Financial Reporting Standards (NZIFRS). This means that the financial statements at the end of the financial years 2007/08 and 2008/09 will be prepared in accordance with the new NZIFRS but the prospective (forecast) statements in this document are prepared using the previous standards (NZ GAAP).

The prospective statements for 2007/08 and 2008/09 in this SOI do not comply with FRS-42 because the full impact of the NZIFRS has not yet been determined.