Canterbury District Health Board

Report For the Year Ended
30 June 2004

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DIRECTORY

Board Members

Syd Bradley - Chair
Randall Allardyce
Philip Bagshaw
Robin Booth
Graham Heenan
David Morrell
Tuari Potiki (resigned effective 31 August 2003)
Olive Webb
Paul White (resigned effective 30 September 2003)
Norman Dewes (appointed 19 February 2004)
Karen Guilliland (appointed 20 November 2003)
Alison Wilkie

Chief Executive

Jean O'Callaghan

Registered Office

Charles Luney House
250 Oxford Terrace
PO Box 1600
Christchurch

Auditor

Audit New Zealand on behalf of the Auditor-General

Banker

WestpacTrust
Bank of New Zealand

MISSION STATEMENT

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

BOARD MEMBERS

Syd Bradley - Chair

Syd Bradley is a professional Company Director based in Christchurch and is the Chairman of the Canterbury DHB and DHBNZ. Syd has served on a number of boards since resigning as General Manager Commercial Operations (International) with New Zealand Post in 1996. Over the last decade he has been closely involved with the administration of the health sector, first as a director of Canterbury Health Ltd and subsequently as director of Healthlink South Ltd and Healthcare Otago Ltd. He was also Chairman of Healthlink South Ltd and Canterbury Health Ltd. Following this Syd was Chairman of the Health Funding Authority and also chaired the Crown Health Association (CHA) representing public health and hospital services. Syd is interested in adding value through the development and application of management systems that measure performance against standards.

Randall Allardyce

Randall Allardyce is a director of medical research at the University of Otago's Christchurch School of Medicine & Health Sciences and is also affiliated to the University of Canterbury. Based in Cust, Randall has headed or worked for many North Canterbury community projects and healthcare initiatives as well as the establishment of the NZ Liver Transplantation Unit, the national introduction of keyhole surgery, and the Mobile Surgical Unit.

Philip Bagshaw

Philip Bagshaw is a general surgeon at Christchurch Hospital and is an Associate Professor of Surgery at the University of Otago's Christchurch School of Medicine & Health Sciences. Philip was appointed to the academic staff there in 1981, where he teaches and does research work.

Robin Booth

Robin Booth has previously served on the Christchurch City Council, and is a self-employed builder, manufacturer and author. Robin has a strong interest in community health and preventative medicine.

David Morrell

David Morrell was City Missioner in Christchurch from 1982 to 2004 and has had over 30 years involvement with general health and mental health through hospital chaplaincy, primarily at Christchurch Hospital during the 1970s and subsequently at the City Mission. David has had extensive management training, both here and in the United Kingdom. David is also Chair of Brackenridge Estate Limited (appointed 1 June 2004).

Graham Heenan

Graham Heenan has been involved in business management for nearly 30 years, since graduating with a Bachelor of Commerce in 1972. Currently Graham is self employed, and a director of numerous companies throughout the South Island. Graham's interest in the health sector has been as a director of Canterbury Health Ltd (since 1995) and Health South Canterbury (1998-2000), and he is currently the Chair of Canterbury Laundry Service Ltd and South Island Shared Services Ltd. His particular skills relate to governance, strategic planning, finance and marketing.

/ continued /

BOARD MEMBERS - continued

Olive Webb	Olive Webb is a clinical psychologist and has more than 30 years experience working in the disability sector, particularly with people with intellectual disabilities. Based in Hororata, Olive has a focus on rural health issues and delivery. She provides clinical consultancy to IHC, is an adviser to Richmond Fellowship, and also consults in the Mental Health sector.
Alison Wilkie	Alison Wilkie served on the Riccarton-Wigram Community Board for three years. Alison trained as a nurse at Christchurch Hospital and has post-graduate qualifications in health economics and public health. A life member of the Asthma Foundation and the Canterbury Asthma Society Inc, Alison has worked as an asthma and respiratory educator and owns a small business.
Karen Guilliland	Karen Guilliland is Chief Executive of New Zealand College of Midwives. Karen has served on the Minister of Health's Health Advisory Group and the NZ Nursing Council. She is currently a member of the Pharmac Board and Deputy Chairperson of the Health Workforce Advisory Committee.
Norman Dewes	Norm Dewes is the Chief Executive of the urban Maori authority based in Canterbury. He has a background in education, social work, sport and recreation and is particularly experienced in helping unemployed into the workforce.

BOARD'S REPORT & STATUTORY DISCLOSURE

To the stakeholders, on the affairs of the Board for the period ended 30 June 2004.

PRINCIPAL ACTIVITIES

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

RESULTS

During the year, Canterbury DHB Group recorded a net deficit of $1.241 million against a budgeted breakeven (2002/03 actual deficit - $10.4 million). Failure to meet budget was solely due to the impact of the Holidays Act 2003, which was not funded.

BOARD FEES

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

	Board Fees Period ended 30/06/04 $'000	Committee Fees Period ended 30/06/04 $'000
Syd Bradley	48	5
Randall Allardyce	24	4
Philip Bagshaw	24	2
Mike Beard *	-	1
Robin Booth	24	2
Julie Barlass	-	1
Norman Dewes *	8	-
Christine Elliot *	-	1
Neville Fagerlund	-	3
Karen Guilliland *	14	1
Graham Heenan	22	4
Ruth Jones	-	1
David Kerr	-	3
Raymond Kirk	-	1
Allison Lomax *	-	1
David Morrell	24	5
Pauline O'Connor	-	1
Michael Ozimek *	-	1
Fiona Pimm	-	1
Suzanne Pitama	-	2
Tuari Potiki *	4	-
Rodney Routledge	-	2
Tim Stonhill	-	1
Apisalome Talemaitoga *	-	-
Jeanette Tarbotton	-	1
Susanne Trim	-	2
Stephanie Waterfield	-	1
Olive Webb	30	2
Gloria Weeks	-	2
Paul White *	6	-
Alison Wilkie	24	2
	252	**53**

* resigned or appointed during the year

Total fees paid for the year were $305,000 (2002/03 - $333,000). The limit of fees authorised for the year ended 30 June 2004 was $384,000 (2002/03 - $371,250).

DIRECTOR FEES

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

	Year Ended 30/06/04 $'000
Graham Heenan	9
Anne Urlwin	9
David Morrell	1
	19

BOARD AND COMMITTEE MEMBERS' INTEREST

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

CANTERBURY DHB

Syd Bradley	Chair - DHBNZ Observer - Pharmac Board Deputy Chair - New Zealand Post Ltd (resigned November 2003)
Randall Allardyce	Director - Breath Testing Service Adjunct academic appointee – University of Canterbury Employee providing services to Canterbury DHB – University of Otago
Philip Bagshaw	Executive Committee Member – Council of Medical Colleges Chair – New Zealand National Board, Royal Australasian College of Surgeons Employee providing services to Canterbury DHB – University of Otago
Norman Dewes	CEO – Te Runanga O Nga Maata Waka Chairman - Te Rito Arahi Maori Alcohol, Drug and Resource Centre Board Member/Vice Chair - Canterbury Community Primary Health Organisation Director Te Amorangi Richmond Wellness Village
Neville Fagerlund	Adviser - Pegasus Health
Karen Guilliland	CEO – New Zealand College of Midwives Director – Midwifery and Maternity Provider Organisation Limited Board Member - Pharmac
Graham Heenan	Chair - Canterbury Laundry Service Ltd Chair - South Island Shared Services Agency Ltd Deputy Chair - Hanmer Springs Thermal Reserve
Dr David Kerr	Adviser - Health Benefits Adviser - Pegasus Health Chairman - Ryman Healthcare Ltd
David Morrell	City Missioner - Christchurch City Mission (retired March 2004) Chair – Brackenridge Estate Limited (appointed 1 June 2004)
Mick Ozimek	Member - Pegasus Health

Fiona Pimm	Board Member - South Canterbury DHB CEO - He Oranga Pounamu Charitable Trust
Suzanne Pitama	Employee – Department of Public Health and General Practice, University of Otago
Tuari Potiki	Employee - Ngai Tahu Development Corporation Board Member - He Oranga Pounamu
Apisalome Talemaitoga	Vice Chair - Pacific Trust Canterbury Member - Pegasus Health
Olive Webb	Clinical Consultant – Richmond Fellowship
Paul White	Director - Housing New Zealand Ltd

SUBSIDIARY AND ASSOCIATED COMPANIES

Garth Bateup	Director of subsidiaries Brackenridge Estate Limited and Canterbury Laundry Service Limited. No directors fees or any other benefits were received from the subsidiary companies except as an employee of Canterbury DHB.
Paul Numan	Director of subsidiary, Brackenridge Estate Limited. No directors fees or any other benefits were received from the subsidiary company except as an employee of Canterbury DHB.
Wei Yoon	Director of associate company New Zealand Centre for Reproductive Medicine Limited. No directors fees or any other benefits were received from the subsidiary or associate companies except as an employee of Canterbury DHB.

DIRECTORS' AND BOARD MEMBERS' LOANS

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

DIRECTORS' AND BOARD MEMBERS' INSURANCE

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

USE OF BOARD OR SUBSIDIARIES' INFORMATION

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

PAYMENTS IN RESPECT OF TERMINATION OF EMPLOYMENT

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

Of the total payments listed of $78,907, the amounts required to be paid pursuant to the terms of employment contracts totalled $34,218, with the remaining balance comprising negotiated settlements with 2 of the 4 former employees.

Number of Employees	TOTAL $
1	7,684
1	12,000
1	15,000
1	44,223
4	**$78,907**

REMUNERATION OF EMPLOYEES

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

	30/06/04 Number	30/06/03 Number
$100,000 - $110,000	51	50
$110,001 - $120,000	41	36
$120,001 - $130,000	32	17
$130,001 - $140,000	23	24
$140,001 - $150,000	27	29
$150,001 - $160,000	29	21
$160,001 - $170,000	20	23
$170,001 - $180,000	23	24
$180,001 - $190,000	17	12
$190,001 - $200,000	14	5
$200,001 - $210,000	11	4
$210,001 - $220,000	7	5
$220,001 - $230,000	3	4
$230,001 - $240,000	2	-
$240,001 - $250,000	2	-
$250,001 - $260,000	-	1
$270,001 - $280,000	-	1
$390,001 - $400,000[1]	1	-
$400,011 - $410,000	-	1
	303	257

Of the 303 positions identified above, 274 (2002/03 - 237) were predominantly clinical and 29 (2002/03 - 20) positions were management/administrative.

[1] CEO remuneration and other benefits are included in this bracket.

STATUTORY DISCLOSURE

Legislative Responsibilities

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

(a) the extent to which the DHB has met its objectives under Section 22 of the New Zealand Public Health and Disability Act 2000;

(b) how the DHB has given effect and intends to give effect to functions specified in Section 23 (1) (b) to (e) of the New Zealand Public Health and Disability Act 2000; and

(c) a report on the performance of the hospital and related services it owns.

The following information reports Canterbury DHB's performance for the year ended 30 June 2004, for the above additional disclosure requirements. Further detail on performance is provided in the Statement of Objectives and service performance on page 35.

Section 42(3)(b) – Report on extent CDHB has met the objectives under section 22	
Objective:	**Extent objectives met**
(a) to improve, promote, and protect the health of people and communities:	The CDHB planning in service development involves stakeholders in the primary care, secondary care, community service providers, public health groups and other government agencies, as appropriate. The CDHB funds and delivers a range of services from health promotion and protection services, primary care to specialist tertiary services to meet the needs of its population. The seven key areas of focus were He Korowai Oranga, NZ disability strategy, elective services and radiotherapy waiting times, diabetes, inequalities, primary care and a mental health blueprint.
(b) to promote the integration of health services, especially primary and secondary health services:	The CDHB has implemented a Community and Primary Health Care Plan to improve population health and improve access to primary care. The 4 Primary Health Organisations (PHOs) established by the CDHB together with public health programmes designed to meet local needs will assist in achieving this plan. The CDHB has established an integrated service planning framework, incorporating disease prevention and management and working with public health and primary care sector. This will help to address issues such as chronic diseases - respiratory and cardiac illnesses, and diabetes. The CDHB is in the process of developing a full health needs assessment policy on ethnicity information collection and improving communication between primary and secondary health sectors.
(c) to promote effective care or support for those in need of personal health services or disability support services:	The CDHB is a lead DHB in relation to older people's health. This includes working closely with the integration project, Elder Care Canterbury, to develop a continuum of care which encompasses a standardised health needs assessment tool and a cross-sectoral information-sharing policy and procedures. The CDHB's objectives include improving the health status of its population who have an ongoing mental illness, via the regional alcohol and other drug services, and by improving access to mental health services and ensuring delivery of contracted services.

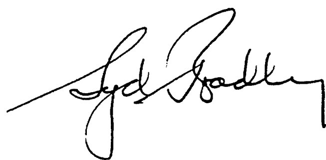
(d)	to promote the inclusion and participation in society and independence of people with disabilities:	The CDHB aims to ensure it contributes to a 'non disabling' society through its actions, and the actions of the providers with whom it contracts. The CDHB has developed a Disability Strategic Action Plan (DSAP) that outlines the steps it will make to implement the NZ Disability Strategy. The DSAP involves disability-sensitive approaches to staff education, property development, employment, contracting and monitoring. All new building developments are assessed for meeting the needs of people with disabilities.
(e)	to reduce health disparities by improving health outcomes for Maori and other population groups:	The CDHB has produced and implemented its Maori Health Action Plan. The key focus of this is He Korowai Oranga and key objectives include improving ethnicity data collection, reducing health inequalities and supporting Maori health workforce development. The CDHB is continuing with the development of the Pacific People's Health Action Plan which focuses on supporting Pacific People as healthworkers, involving Pacific People in health service development and actively collecting ethnicity data.
(f)	to reduce, with a view to eliminating, health outcome disparities between various population groups within New Zealand by developing and implementing, in consultation with the groups concerned, services and programmes designed to raise their health outcomes to those of other New Zealanders:	The CDHB Health Needs Assessment has identified groups in the community, which have health inequalities. Strategic Plan health gain priority areas (eg, Child and Youth, Maori) have been identified as part of this process. For example, in order to reduce barriers to primary health care, the CDHB has established 4 PHOs within Canterbury that account for the enrolment of 90% of the CDHB population. Two of these PHOs represent rural communities, one represents lower socioeconomic groups in Christchurch, and the other is an urban PHO.
(g)	to exhibit a sense of social responsibility by having regard to the interests of the people to whom it provides, or for whom it arranges the provision of, services:	The CDHB continues to enhance relationships with the community, health providers and social agencies such as Age Concern, Child Youth and Family, Kai Tahu and the Christchurch City Council. The CDHB is also working with Territorial Local Agencies to plan for health and social services as outlined in the Local Government Act 2002.
(h)	to foster community participation in health improvement, and in planning for the provision of services and for significant changes to the provision of services:	The CDHB actively participates in forums such as Healthy Christchurch, Elder Care Canterbury, Maori Hui, DHBNZ and Diabetes. Information gathered from these forums assists the service planning process. The CDHB has engaged in an active consultation through formal processes (eg for the strategic plan) and sector representation on project steering groups.

(i)	to uphold the ethical and quality standards commonly expected of providers of services and of public sector organisations:	The CDHB has established a Quality and Patient Safety Council and a Clinical Advisory Committee to provide advice to the CEO on quality issues, and a forum for the wider DHB (e.g. community providers) to discuss quality issues. This also facilitates ongoing quality improvement processes. The CDHB also has processes in place to maintain and improve quality including Quality Health New Zealand accreditation process for its hospitals and performance targets and measures to maintain appropriate levels of clinical quality.
(j)	to exhibit a sense of environmental responsibility by having regard to the environmental implications of its operations:	The CDHB has shown a sense of environmental responsibility via its waste management programme and in relation to its rebuilding programme.
(k)	To be a good employer	The CDHB has established and will continue to develop relationships with its health workers and those in the community to build a workforce that meets the health and disability needs of its community. This includes addressing challenges such as staff shortages in some areas, staff needs for ongoing career development, staff participation in decision-making, and creating a family-friendly environment.

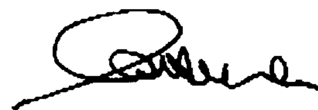
Section 42(3)(i): Statement of how CDHB has given effect and intends to give effect to its functions specified in section 23 (b) – (e)	
Function:	**What has been done to meet function**
(b) to actively investigate, facilitate, sponsor, and develop co-operative and collaborative arrangements with persons in the health and disability sector or in any other sector to improve, promote, and protect the health of people, and to promote the inclusion and participation in society and independence of people with disabilities:	• The CDHB has involved stakeholders in delivery of Core Directions and health gain priority areas for CDHB Strategic Plan. • The CDHB actively involves relevant groups and individuals in planning specific service areas. • The CDHB has established joint arrangements with external providers for some provision of orthopaedic and cardiac surgery services. • The CDHB works with the Ministry of Health in a number of joint/collaborative ways such as Public (Population) Health shared decision making; and the allocation of the Maori and Pacific Health development fund.

(c)	to issue relevant information to the resident population, persons in the health and disability sector, and persons in any other sector working to improve, promote, and protect the health of people for the purposes of paragraphs (a) and (b):	• The CDHB uses a variety of written media, TV and radio work to outline general issues and priorities and the community. • The CDHB will continue to respond directly to media / personal / group enquiries. • The CDHB circulates / makes available significant documents / plans for population in summary and comprehensive form either at libraries, via groups or individually. • The CDHB involves sector representatives in steering groups leading the planning for health services. • The CDHB has developed a website, which includes community based health information. • The CDHB continues to provide health promotion services funded by the Ministry of Health.
(d)	to establish and maintain processes to enable Maori to participate in, and contribute to, strategies for Maori health improvement:	Relationships with Manawhenua Ki Waitaha, Te Runanga and Nga Maata Waka continue to develop. Maori community hui are held quarterly and regular meetings with Maori providers and other Maori community organisations. The outcomes of these meetings are fed directly into the CDHB planning process.
(e)	to continue to foster the development of Maori capacity for participating in the health and disability sector and for providing for the needs of Maori:	The CDHB has established Te Kahui Taumata, which includes the Kaumatua and Taua and senior Maori staff who provide Maori specific advice to the Chief Executive.

For and on behalf of the Board



Syd Bradley
Chair
8 October 2004



Graham Heenan
Board Member
8 October 2004

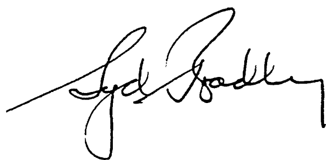
STATEMENT OF RESPONSIBILITY

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

a) The preparation of financial statements of Canterbury DHB and the judgements used therein, are our responsibility.

b) The establishment and maintenance of internal control systems, designed to give reasonable assurance as to the integrity and reliability of the financial reports for the period ended 30 June 2004, are our responsibility.

c) In our opinion, the financial statements for the year under review fairly reflect the financial position and operations of Canterbury DHB.



Syd Bradley
Chair
8 October 2004

Jean O'Callaghan
Chief Executive Officer
8 October 2004

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 JUNE 2004

	Notes	Group			Parent	
		Actual 30/06/04 $'000	Budget 30/06/04 $'000	Actual 30/6/03 $'000	Actual 30/06/04 $'000	Actual 30/6/03 $'000
OPERATING REVENUE						
MoH Revenue[2]		811,362	741,162	671,819	805,320	665,642
Patient Related Revenue		24,462	22,715	21,951	23,862	21,366
Other Revenue		13,657	9,627	11,616	12,841	10,919
TOTAL REVENUE		849,481	773,504	705,386	842,023	697,927
OPERATING EXPENSES						
Employee Costs		346,910	326,656	321,932	340,029	315,514
Treatment Related Costs		90,207	89,113	90,435	93,248	93,487
External Service Providers[2]		299,921	240,864	206,452	299,921	206,452
Depreciation	11	32,652	33,831	21,295	31,663	20,189
Interest Expense		4,035	8,700	6,623	3,987	6,618
Other Expenses		53,689	50,536	54,682	51,436	51,823
TOTAL OPERATING EXPENSES		827,414	749,700	701,419	820,284	694,083
OPERATING SURPLUS BEFORE CAPITAL CHARGE		22,067	23,804	3,967	21,739	3,844
Capital Charge Expense		(23,306)	(23,804)	(14,395)	(23,306)	(14,395)
SURPLUS/(DEFICIT) BEFORE TAXATION	2	(1,239)	-	(10,428)	(1,567)	(10,551)
Tax (Expense)/ Benefit	3	(2)	-	23	-	-
NET SURPLUS / (DEFICIT) FOR THE YEAR		**(1,241)**	-	**(10,405)**	**(1,567)**	**(10,551)**

[2] The budget included some national/regional contract expenditure which has subsequently been transferred back to other DHBs. In addition DSS contracts were devolved during the year and are not reflected in the above budget.

This statement is to be read in conjunction with the Notes on pages 18 to 34 and the Audit Report on page 57.

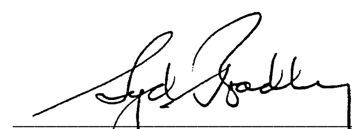
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2004

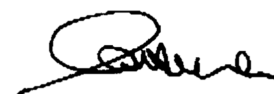
	Notes	Group			Parent	
		Actual 30/06/04 $'000	Budget 30/06/04 $'000	Actual 30/06/03 $'000	Actual 30/06/04 $'000	Actual 30/06/03 $'000
TOTAL EQUITY AT BEGINNING OF THE PERIOD:						
Equity excluding Minority Interest		211,585	180,671	134,923	211,308	134,577
Minority Interest		-	56	56	-	-
		211,585	180,727	134,979	211,308	134,577
Revenue reserves from subsidiaries which were amalgamated during the year		-	-	-	-	215
		211,585	180,727	134,979	211,308	134,792
TOTAL RECOGNISED REVENUES AND EXPENSES:						
Net surplus / (deficit) for the period		(1,241)	-	(10,405)	(1,567)	(10,551)
Revaluation of Fixed Assets	5	-	-	77,717	-	77,717
		(1,241)	-	67,312	(1,567)	67,166
OTHER MOVEMENTS						
Contribution from/(back to) Crown		(11,000)	19,650	9,350	(11,000)	9,350
Minority Interest amalgamated		-	-	(56)	-	-
		(11,000)	19,650	9,294	(11,000)	9,350
TOTAL EQUITY AT END OF THE PERIOD:						
Equity excluding Minority Interest		199,344	200,321	211,585	198,741	211,308
Minority Interest		-	56	-	-	-
TOTAL EQUITY		**199,344**	**200,377**	**211,585**	**198,741**	**211,308**

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Notes	Group			Parent	
		Actual as at 30/06/04 $'000	Budget as at 30/06/04 $'000	Actual as at 30/06/03 $'000	Actual as at 30/06/04 $'000	Actual as at 30/06/03 $'000
CROWN EQUITY						
General Funds	5	148,174	200,321	159,174	148,312	159,312
Revaluation Reserve	5	77,717	-	77,717	77,717	77,717
Retained Earnings	5	(34,326)	-	(32,700)	(34,740)	(32,800)
Trust Reserve	5	7,779	-	7,394	7,452	7,079
Minority Interest		-	56	-	-	-
TOTAL EQUITY		**199,344**	**200,377**	**211,585**	**198,741**	**211,308**
REPRESENTED BY:						
CURRENT ASSETS						
Receivables and Prepayments	4	27,476	50,017	57,149	27,074	55,502
Stocks	6	6,806	7,400	6,920	6,751	6,861
TOTAL CURRENT ASSETS		34,282	57,417	64,069	33,825	62,363
CURRENT LIABILITIES						
Cash & Bank	9	835	2,859	4,295	1,446	4,637
Creditors and Accruals		68,281	43,398	73,009	68,080	72,849
Owing to Crown		5,810	5,951	3,670	5,810	3,670
Staff Entitlements due within 1 year	7	38,035	39,000	32,848	37,404	32,328
Provisions due within 1 year	12	14,722	-	8,648	14,623	8,566
Loans due within 1 year	9	42,600	1,000	99,380	42,600	99,380
TOTAL CURRENT LIABILITIES		170,283	92,208	221,850	169,963	221,430
NET WORKING CAPITAL		(136,001)	(34,791)	(157,781)	(136,138)	(159,067)
NON CURRENT ASSETS						
Investments	10	292	466	378	2,196	3,783
Fixed Assets	11	375,137	347,927	355,863	372,758	353,484
Surplus Property	11	9,300	9,300	10,300	9,300	10,300
Restricted Assets	8	7,779	7,180	7,394	7,452	7,079
TOTAL NON CURRENT ASSETS		392,508	364,873	373,935	391,706	374,646
NON CURRENT LIABILITIES						
Provisions	12	5,113	3,636	4,491	4,827	4,271
Deferred Tax	3	50	69	78	-	-
Loans repayable after 1 year	9	52,000	126,000	-	52,000	-
TOTAL NON CURRENT LIABILITIES		57,163	129,705	4,569	56,827	4,271
NET ASSETS		**199,344**	**200,377**	**211,585**	**198,741**	**211,308**

For and on behalf of the Board





Syd Bradley
Chair
8 October 2004

Graham Heenan
Board Member
8 October 2004

This statement is to be read in conjunction with the Notes on pages 18 to 34 and the Audit Report on page 57.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2004

	Notes	Group			Parent	
		Actual 30/06/04 $'000	Budget 30/06/04 $'000	Actual 30/06/03 $'000	Actual 30/06/04 $'000	Actual 30/06/03 $'000
CASH FLOW FROM OPERATING ACTIVITIES						
Cash was provided from:						
Receipts from MoH		845,726	741,662	660,112	838,385	655,488
Other Receipts		32,062	31,987	39,402	30,608	37,540
Interest Received		595	355	682	682	909
		878,383	774,004	700,196	869,675	693,937
Cash was applied to:						
Payments to Employees		335,069	327,456	319,589	328,338	313,321
Payments to Suppliers		450,281	380,513	324,365	451,126	324,822
Interest Paid		4,345	8,700	6,416	4,297	6,411
Taxes Paid / (Refunded)		3	-	27	-	53
Capital Charge		21,166	21,853	18,559	21,166	18,559
GST (net)		(1,959)	-	1,293	(1,917)	1,312
		808,905	738,522	670,249	803,010	664,478
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	13	69,478	35,482	29,947	66,665	29,459
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Sale of Assets		2,132	1,700	24	2,132	23
Decrease in Investments		-	-	81	1,214	789
		2,132	1,700	105	3,346	812
Cash was applied to:						
Increase in Investments & Restricted Assets		299	-	207	-	611
Purchase of Assets		52,071	63,650	32,787	51,040	32,048
		52,370	63,650	32,994	51,040	32,659
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(50,238)	(61,950)	(32,889)	(47,694)	(31,847)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from:						
Loans Raised		52,000	127,000	-	52,000	-
Equity contribution from the Crown		-	19,650	9,350	-	9,350
		52,000	146,650	9,350	52,000	9,350
Cash was applied to:						
Loans Repaid		56,780	120,000	7,068	56,780	7,068
Equity repaid to Crown		11,000	-	-	11,000	-
		67,780	120,000	7,068	67,780	7,068
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(15,780)	26,650	2,282	(15,780)	2,282
Overall Increase/(Decrease) in Cash Held		3,460	182	(660)	3,191	(106)
Opening Cash Balance		(4,295)	(3,041)	(3,635)	(4,637)	(4,531)
CLOSING CASH BALANCE		**(835)**	**(2,859)**	**(4,295)**	**(1,446)**	**(4,637)**

This statement is to be read in conjunction with the Notes on pages 18 to 34 and the Audit Report on page 57.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

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

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

B. MEASUREMENT BASE

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

C. ACCOUNTING POLICIES

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

i) Revenue from Contracts for Services

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

ii) Specific Purpose Grants and Specific Service Sales

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

iii) Fixed Assets

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

Fixed Assets acquired since the establishment of Canterbury DHB
Assets acquired by the DHB since its establishment are recorded at cost except for land, buildings and fitout plant and equipment that are revalued every five years. This includes all appropriate

costs of acquisition and installation, including materials, labour, direct overheads, financing and transport costs.

Revaluation of land, buildings and fitout plant and equipment
Land, buildings and fitout plant and equipment are revalued every five years. The fair value of land, buildings and fitout plant and equipment is determined by an independent registered valuer by reference to the highest and best use of these assets or, if sufficient market based evidence is not available, by reference to their depreciated replacement cost. Additions between revaluations are recorded at cost. The results of revaluing land, buildings and fitout plant and equipment are credited or debited to assets revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the asset revaluation reserve, the debit balance will be expensed in the statement of financial performance.

iv) Depreciation

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

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

Work in progress is not depreciated. The total cost of a project is transferred to buildings and/or equipment on its completion and then depreciated.

v) Goods and Services Tax

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

vi) Donated Assets

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

vii) Stocks

Stocks are valued at the lower of cost or net realisable value. Cost is principally determined on a weighted average cost basis. Full provision has been made for all defective and obsolete stocks.

viii) Accounts Receivable

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

ix) Investments

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

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

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

x) Taxation

Canterbury DHB is a public authority under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under Section CB3 of the Income Tax Act 1994.

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

xi) Research and Development

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

xii) Foreign Currencies

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

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

xiii) Leased Assets

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

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

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

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

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

xiv) Finance Costs

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

xv) Provision for Staff Entitlements

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

xvi) Statement of Cash Flows

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

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

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

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

xvii) Donations and Bequests

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

xviii) Financial Instruments

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

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

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

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

xix) Basis of Consolidation

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

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

All significant inter-company transactions are eliminated on consolidation.

D CHANGE IN ACCOUNTING POLICIES

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

2. NET OPERATING SURPLUS/(DEFICIT)

The net operating deficit is stated:	Group		Parent	
	30/06/04 $'000	30/06/03 $'000	30/06/04 $'000	30/06/03 $'000
After Charging:				
Remuneration of Auditor:				
- Audit Fees	140	120	120	101
- Other Services	-	23	-	23
Board Members Fees	252	289	252	289
Directors' Fees	19	22	-	-
Interest Expense	4,035	6,623	3,987	6,618
Bad Debts Written Off	518	130	518	130
Increase/(Decrease) in Bad Debts Provision	626	745	626	745
Write-down (reversal of write down) of investments		-	-	(595)
Rental and Operating Lease Costs	3,751	4,017	3,263	3,452
After Crediting:				
Interest Received from Investments	595	682	682	909
Gain (loss) on Disposal of Assets	1,029	(85)	1,029	(86)

3. TAXATION

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

	Group	
	30/06/04 $'000	30/06/03 $'000
Net Operating Surplus/(Deficit) before Taxation	(1,239)	(10,428)
Prima facie taxation @ 33%	(409)	(3,441)
Plus/(Less) tax effect of:		
Permanent Differences	411	3,418
Timing Differences not recognised	-	-
Underestimation of tax in previous year	-	-
Tax Expense / (Benefit)	2	(23)
Comprising:		
Current Tax	30	(32)
Deferred Tax	(28)	9
	2	(23)
Deferred Tax Liability		
Opening Balance	78	69
Current Year Movement	(28)	9
Closing Balance	50	78

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

4. RECEIVABLES AND PREPAYMENTS

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Trade Debtors	10,315	6,822	10,224	6,781
Receivable from Crown	14,074	48,438	13,820	46,885
Other Debtors	2,534	1,594	2,491	1,550
Prepayments	553	295	539	286
	27,476	57,149	27,074	55,502

5. EQUITY

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
GENERAL FUNDS				
Opening Balance	159,174	149,824	159,312	149,962
Equity contribution from Crown/(Repayment)	(11,000)	9,350	(11,000)	9,350
	148,174	159,174	148,312	159,312
RETAINED EARNINGS				
Opening Balance	(32,700)	(22,534)	(32,800)	(22,268)
Revenue reserves from amalgamated subsidiaries	-	-	-	215
Adjustment on amalgamation of CLS Properties	-	453	-	-
Operating Surplus/(Deficit)	(1,241)	(10,405)	(1,567)	(10,551)
Transfers from/(to) Trust Reserve	(385)	(214)	(373)	(196)
Closing Balance	(34,326)	(32,700)	(34,740)	(32,800)
Represented by :				
Accumulated Deficit in Parent and Subsidiary	(34,404)	(32,778)	(34,818)	(32,878)
Accumulated Surplus in Associates	78	78	78	78
	(34,326)	(32,700)	(34,740)	(32,800)
REVALUATION RESERVE				
Opening Balance	77,717	453	77,717	-
Adjustment on amalgamation of CLS Properties	-	(453)	-	-
Current Year Movement	-	77,717	-	77,717
Closing Balance	77,717	77,717	77,717	77,717

Represented by:				
Revaluation of land	27,531	27,531	27,531	27,531
Revaluation of freehold buildings	656	656	656	656
Revaluation of fitout plant and equipment	48,540	48,540	48,540	48,540
Revaluation of reversionary interest in buildings	990	990	990	990
	77,717	77,717	77,717	77,717

TRUST RESERVE

Opening Balance	7,394	7,180	7,079	6,883
Transfers from/(to) Retained Earnings	385	214	373	196
Closing Balance	7,779	7,394	7,452	7,079

6. STOCKS

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Pharmaceuticals	2,226	1,914	2,226	1,914
Surgical and Medical Supplies	3,605	3,703	3,605	3,703
Other Supplies	1,689	1,875	1,634	1,816
	7,520	7,492	7,465	7,433
Provision for Obsolescence	(714)	(572)	(714)	(572)
	6,806	6,920	6,751	6,861

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

7. STAFF ENTITLEMENTS

Staff Entitlements consist of:	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Annual Leave Accruals	24,319	18,760	23,944	18,417
Unpaid Days Accruals	6,683	4,504	6,518	4,356
ACC Accruals	2,250	(948)	2,210	(977)
Other	4,783	10,532	4,732	10,532
Staff Entitlement Due Within 1 Year	38,035	32,848	37,404	32,328

8. RESTRICTED ASSETS

Restricted assets are funds donated and bequeathed for specific purposes. At 30 June 2004, the amount of funds received where the conditions attached have not been fulfilled is $7,779,000 ($7,394,000 at 30 June 2003).

This is represented by:	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Cash at Bank	416	177	416	177
Term Deposits	2,983	4,625	2,656	4,310
Local Authorities & Government Stocks	840	710	840	710
Quoted Shares	-	55	-	55
Bonds & Stocks	3,540	1,827	3,540	1,827
Total Restricted Assets	7,779	7,394	7,452	7,079

9. LOANS AND BANK OVERDRAFT

Loans consist of:	Group		Parent	
	As at 30/06/04 $’000	As at 30/06/03 $’000	As at 30/06/04 $’000	As at 30/06/03 $’000
Commercial Loans	42,600	99,380	42,600	99,380
Crown Financing Agency	52,000	-	52,000	-
	94,600	99,380	94,600	99,380
Repayable as follows:				
Due Within 1 Year	42,600	99,380	42,600	99,380
Two - Five Years	52,000	-	52,000	-
	94,600	99,380	94,600	99,380

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

Security

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

Interest Rates

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

	Group		Parent	
	30/06/04	30/06/03	30/06/04	30/06/03
Commercial Loans	5.86%	5.92%	5.86%	5.92%
Crown Financing Agency	6.29%	-	6.29%	-
Bank Overdraft	7.30%	7.30%	7.30%	7.30%

10. INVESTMENTS

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Investment in Associates	292	378	292	378
Investment in Subsidiaries	-	-	1,904	3,405
	292	378	2,196	3,783

INVESTMENT IN ASSOCIATES

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Share of Associates Equity Brought Forward	168	170	168	170
Capital distribution on winding up (HSSIL)	-	(2)	-	(2)
Share of Associates Operating Surplus	-	-	-	-
Share of Associates Equity Carried Forward	168	168	168	168
Advances	124	210	124	210
	292	378	292	378

At 30 June 2004, Associate Companies comprised:

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

New Zealand Centre for Reproductive Medicine Ltd provides reproductive medicine services to private and publicly funded patients.
South Island Shared Services Agency Ltd provides support services for contracting, contract monitoring and provider audits to DHBs for their Funding arm.

INVESTMENT IN SUBSIDIARIES

	Parent	
	As at 30/06/04 $’000	As at 30/06/03 $’000
Equity - Canterbury Laundry Service Ltd	393	393
Advances - Canterbury Laundry Service Ltd	1,787	2,001
Equity - Brackenridge Estate Ltd	(315)	(315)
Advances - Brackenridge Estate Ltd	39	1,326
	1,904	3,405

At 30 June 2004 subsidiary companies comprise:

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

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

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

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

11. FIXED ASSETS

	Group		**Parent**	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
At Cost				
Freehold land	-	-	-	-
Buildings - freehold	3,171	-	3,171	-
Leasehold Building & Fitout	3,042	3,497	3,042	3,042
Fitout plant and equipment	1,292	-	1,292	-
Plant and equipment	51,479	45,868	46,515	41,196
Computer equipment and software	32,837	27,502	32,837	27,417
Motor vehicles	4,075	2,079	3,590	1,938
Capital work-in-progress	60,205	27,349	60,205	27,349
At Valuation				
Freehold land	73,601	74,601	73,601	74,601
Buildings - freehold	85,920	85,920	85,920	85,920
Fitout plant & equipment	131,289	131,289	131,289	131,289
Plant and equipment	24,791	24,791	24,791	24,791
Reversionary interest in buildings	990	990	990	990
	472,692	423,886	467,243	418,533
Accumulated Depreciation				
Buildings - freehold	3,819	-	3,819	-
Leasehold Building & Fitout	329	579	329	318
Fitout plant and equipment	16,588	-	16,588	-
Plant and equipment	39,924	32,640	36,987	30,036
Computer equipment and software	26,149	23,452	26,148	23,409
Motor vehicles	1,446	1,052	1,314	986
	88,255	57,723	85,185	54,749

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Net Book Value				
Freehold land	73,601	74,601	73,601	74,601
Buildings - freehold	85,272	85,920	85,272	85,920
Leasehold Building & Fitout	2,713	2,918	2,713	2,724
Fitout plant and equipment	115,993	131,289	115,993	131,289
Plant and equipment	36,346	38,019	34,319	35,951
Computer equipment and software	6,688	4,050	6,689	4,008
Motor vehicles	2,629	1,027	2,276	952
Capital work-in-progress	60,205	27,349	60,205	27,349
Reversionary interest in buildings	990	990	990	990
Reclassify to Surplus Property	(9,300)	(10,300)	(9,300)	(10,300)
	375,137	355,863	372,758	353,484
Depreciation charged during the year:				
Buildings freehold & leasehold	3,851	2,451	3,851	2,411
Fitout plant and equipment	16,589	6,795	16,589	6,781
Plant and equipment	8,642	8,564	7,653	7,547
Computer equipment and software	3,209	3,345	3,209	3,328
Motor vehicles	361	140	361	122
	32,652	21,295	31,663	20,189

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

Canterbury DHB owns land which it has allowed a third party to construct a car park on. In lieu of rental foregone, the car park building will belong to Canterbury DHB in 16 years time. This interest has not been included in the Statement of Financial Position, other than the June 2003 revaluation effect of $990,000 included in the Revaluation Reserve and Fixed Assets as reversionary interest.

Property surplus to requirements as at 30 June 2004 included land at Hillmorton and Hanmer Springs hospital sites, and two sites in central Christchurch.

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

12. PROVISIONS

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Provision due within 1 year	14,722	8,648	14,623	8,566
Provision due after 1 year	5,113	4,491	4,827	4,271
Total Provisions	19,835	13,139	19,450	12,837
Movement in Provisions				
Opening balance	13,139		12,837	
Additional provision made during the year	12,245		11,805	
Release of surplus provision	(43)		-	
Charged against provision for the year	(5,506)		(5,192)	
Closing balance	19,835		19,450	

These provisions primarily relate to staff entitlements, but also includes a refurbishment provision for Brackenridge. Staff entitlements include gratuities, long service leave, conference expenses, parental leave, and collective employment contracts pending finalisation of pay negotiations.

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

	Group		Parent	
	30/06/04 $'000	30/06/03 $'000	30/06/04 $'000	30/06/03 $'000
Net Operating Surplus before Share of Associate Co's Surplus	(1,241)	(10,405)	(1,567)	(10,551)
Add Back Non-Cash Items:				
Depreciation	32,652	21,295	31,663	20,189
Maintenance provision	42	10	-	-
Other non-cash items		(28)	-	27
Add Back Items Classified as Investing Activity:				
(Gain) / loss on Asset Sale	(1,029)	85	(1,029)	86
	30,424	10,957	29,067	9,751
Movement in Term Portion Provisions	622	645	556	635
Movement in Deferred Tax	(28)	9	-	-
Movements in Working Capital:				
Decrease/ (Incr.) in Receivables & Prepayments	29,673	(4,553)	28,428	(4,138)
Decrease/ (Incr.) in Stocks	114	411	110	415
Increase/ (Decr.) in Creditors & Other Accruals	(4,728)	24,937	(4,769)	25,262
Increase/ (Decr.) in Capital Charge due to Crown	2,140	(4,164)	2,140	(4,164)
Increase/ (Decr.) in Staff Entitlements	5,187	454	5,076	834
Increase/ (Decr.) in Provisions	6,074	1,251	6,057	1,183
Add: Items in Debtors relating to amalgamation of subsidiaries	-	-	-	777
Less: Items in Creditors relating to amalgamation of subsidiaries	-	-	-	(1,096)
NET CASH IN/(OUT)FLOW FROM OPERATING ACTIVITIES	69,478	29,947	66,665	29,459

14. COMMITMENTS

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
CAPITAL COMMITMENTS				
Committed at Balance Date	53,719	64,878	53,719	64,878
NON CANCELLABLE OPERATING LEASE COMMITMENTS				
Accommodation Lease	15,977	14,609	8,736	6,885
Computer Leases	-	197	-	197
Vehicle Leases	82	258	77	244
Other	5	11	-	-
	16,064	15,075	8,813	7,326
For Expenditure Within:				
1 Year	1,695	2,020	1,217	1,532
2 Years	1,308	1,660	837	1,187
3 Years and Beyond	13,061	11,395	6,759	4,607
	16,064	15,075	8,813	7,326

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

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

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

15. TRANSACTIONS WITH RELATED PARTIES

a) GOVERNMENT FUNDING

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

b) INTER-GROUP TRANSACTIONS

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

	Group		Parent	
	30/06/04 $'000	30/06/03 $'000	30/06/04 $'000	30/06/03 $'000
Revenue				
Interest on advance and director's fees from Canterbury Laundry Service Ltd	-	-	110	172
Interest on advance and service fees from Brackenridge Estate Ltd	-	-	89	129
Services to Canterbury Laundry Service Ltd	-	-	603	357
Services to Crown Public Health Ltd (prior to amalgamation with Canterbury DHB)	-	-	-	291
Services to New Zealand Centre for Reproductive Medicine Ltd and interest on advance	57	56	57	56
Expenses				
Linen services and rentals from Canterbury Laundry Service Ltd	-	-	3,425	3,415
Services from New Zealand Centre for Reproductive Medicine Ltd	1,181	1,042	1,181	1,042
Services from South Island Shared Services Agency Ltd	502	429	502	429

Interest charged on advances Canterbury Laundry Service Ltd, New Zealand Centre for Reproductive Medicine Ltd and Brackenridge Estate Ltd are at normal borrowing rates. Other balances are at normal trading terms.

The amounts outstanding for all related party transactions as at 30 June 2004 are as follows :

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Amount Payable owing to associates				
South Island Shared Services Agency Ltd	-	18	-	18
NZ Centre for Reproductive Medicine Ltd	-	95	-	95
Burwood Orthopaedic Surgical Services	-	163	-	163
Amount Receivable owing by associates				
South Island Shared Services Agency Ltd	223	264	223	264
NZ Centre for Reproductive Medicine Ltd	-	4	-	4
Amount Payable owing to subsidiaries				
Canterbury Laundry Service Ltd	-	-	364	316
Amount Receivable owing by subsidiaries				
Canterbury Laundry Service Ltd – Debtor	-	-	140	32
Canterbury Laundry Service Ltd – Advance	-	-	1,787	2,001
Brackenridge Estate Ltd – Advance	-	-	39	1,326

c) BOARD AND COMMITTEE MEMBERS

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

	Group		Parent	
	30/06/04	30/06/03	30/06/04	30/06/03
	$'000	$'000	$'000	$'000
Christchurch City Council	475	524	436	467
DHBNZ	332	93	332	93
Pegasus Health	72,350	74,463	72,350	74,463
New Zealand Post Ltd	471	599	471	597
The Christchurch City Mission	448	440	448	440
Breath Testing Services	19	60	19	60
New Zealand Housing Corporation	435	470	-	-
Pacific Trust Canterbury	1,184	650	1,184	650
He Oranga Pounamu Charitable Trust	1,555	1,321	1,555	1,321
Te Amorangi Richmond Wellness Village	308	-	308	-
Te Rito Arahi Maori Alcohol Drug & Resource Centre	319	-	319	-
Windsor House	956	-	956	-
Ryman Healthcare Ltd	2,568	30	2,568	30
South Canterbury DHB	144	65	144	65
Champion Centre	6	-	6	-
Smiths City Group	12	-	12	-

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

	Group		Parent	
	30/06/04	30/06/03	30/06/04	30/06/03
	$'000	$'000	$'000	$'000
Christchurch City Council	50	13	50	13
DHBNZ	26	10	26	10
South Canterbury DHB	2,620	597	2,620	597
Champion Centre	82	9	82	9

16. CAPITAL CHARGE

Canterbury DHB incurs a monthly capital charge from the Crown based on the greater of its actual or budgeted closing equity balance for the month. The capital charge rate for the period ended 30 June 2004 was 11% (11% for the period ended 30 June 2003).

17. FINANCIAL INSTRUMENTS

CREDIT RISK

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

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

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Ministry of Health. However, the Ministry of Health is a high credit quality entity, being the Government funded purchaser of health and disability support services. As at 30 June 2004, the Ministry of Health owed Canterbury DHB $13.8 million ($46.9 million at 30 June 2003).

CURRENCY RISK

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

Forward exchange contracts amounting to US$2,000,000 and A$350,000 were outstanding at 30 June 2004 (30 June 2003 nil). The valuation of these contracts at 30 June 2004 is an unrecognised benefit of $1,000.

INTEREST RATE RISK

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

There are interest rates swaptions outstanding at 30 June 2004 of $37 million (30 June 2003 nil). The valuation of these contracts at 30 June 2004 is an unrecognised benefit of $0.205 million.

FAIR VALUES OF FINANCIAL INSTRUMENTS

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

18. SEGMENTAL REPORTING

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

19. CONTINGENCIES

Canterbury DHB has the following contingencies at year end:

Claim for a breach of patent rights
A third party has indicated that Canterbury DHB has breached their patent rights. This allegation is being contested and the outcome is uncertain.

Claim under collective agreement
There is a claim from a union for payments around interpretation of a collective employment contract. This claim is being contested and is in the early stages of proceedings.

20. RESIDENTS' TRUST ACCOUNT

	Group		Parent	
	As at 30/06/04 $'000	As at 30/06/03 $'000	As at 30/06/04 $'000	As at 30/06/03 $'000
Residents' Trust Account Balance	682	602	364	331

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

21. SUBSEQUENT EVENTS

There were no events after 30 June 2004 which could have a material impact on the information in Canterbury DHB's financial statements.

STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE 2003/04

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

The aim of the Statement of Intent is to demonstrate how the DHB's activities impact on the DHB's primary objective of "improving the health and wellbeing of people living in Canterbury". The measures included in the 2003-2006 Statement of Intent reflect activity in the priority areas identified in the Canterbury DHB Strategic Plan, "Towards a Healthier Canterbury: Directions 2006".

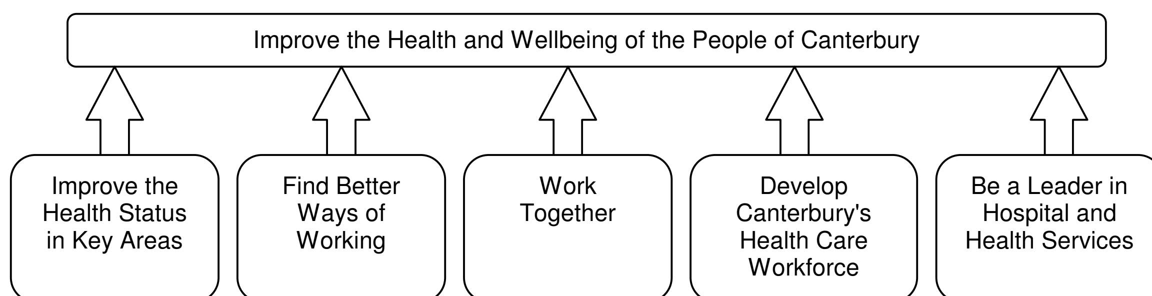
1. Strategic Priorities and Directions

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

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

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

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



NOTE: In order to provide an overview of progress, where available, 2002/03 performance results have been included in parentheses and italics to the right of current results. In addition, for some measures the results involve low numbers which result in unreliable percentage rates. Where this is the case actual numbers have been included alongside the percentage rates to provide a more accurate picture.

1.1. Overview of Performance

The following table provides an overview of the Canterbury DHB's performance for the 2003/04 year. Where there is more than one performance measure for an objective, or where results are broken down by ethnicity in the full report on the pages that follow, a tick in the box indicates a good overall result for the associated objective.

		Objective	***Performance Measure***	***Achieved 2003/04 Target***	***Improved on 2002/03 Performance***
Strategic Plan Priorities	Child Health	Reduce the Number of Low Birth Weight Babies	Percentage of babies born in hospital with low birth weight	✓	✓
		Improved Immunisation of Canterbury Children	Percentage of children fully vaccinated by their second birthday	N/A	N/A
		Reduce Child Hearing Loss	Percentage of children passing school entry hearing tests	✓	✓
		Improved Education and Treatment of Children With Asthma	Repeat admission for asthma in children under 5 Repeat admission for asthma in children between the ages of 5 and 15	X	X
		Improve Child Oral Health	Mean MF score at Year 8 (Form 2) Percentage of children caries free at age 5	✓	✓
	Primary Health	Support the Establishment of Four PHOs	1 low income urban PHO established 2 rural PHOs established 1 urban PHO established	✓	N/A
		Improve Rural GP Retention	Percentage of GPs with a rural ranking of greater than 35 points who work no more than a 1 in 4 weekend roster	✓	N/A
		Reduce Ambulatory Sensitive Admissions	Standardised discharge rates for ambulatory sensitive admissions 0 to 4 years of age Standardised discharge rates for ambulatory sensitive admissions 5 to 14 years of age Standardised discharge rates for ambulatory sensitive admissions 15 to 25 years of age	✓	✓
	Maori Health	Improve Monitoring of Maori Health	Develop an integrated health outcome and performance monitoring framework	N/A	N/A
		Reduce Health Inequalities	See relevant performance indicators including those in sections 2.1, 2.2, 2.5, and 2.7		
		Determine Performance Measures for Maori Health and Disability Outcomes	Develop baseline data and measures that link to the priority areas of diabetes, child health, and cardiovascular disease	✓	N/A
	Mental Health	100% Delivery of Contracted Volumes by the Provider-arm	100% delivery of contracted volumes	✓	N/A
		Mental Health Expenditure to be 100% of Target	100% allocation of funding	✓	N/A

		Objective	Performance Measure	Achieved 2003/04 Target	Improved on 2002/03 Performance
		Improved Access to Services	Percentage of people within each age group accessing mental health treatment and support services	✓	✓
	Cardio-vascular Disease	Reduce the Impact of Cardiovascular Disease	Percentage of people with certainty who waited for no more than 6 months for coronary artery bypass with grafts Delivery of target levels of cardiac surgery Percentage of people with certainty who waited for no more than 6 months for an angioplasty Repeat admissions for rheumatic fever in people under 30 years	X	✓
	Cancer	Reduce the Impact of Cancer	Improved access to radiotherapy	X	✓
	Diabetes	Earlier Diagnosis and Treatment of Eye Problems	Percentage of people having annual reviews who have had their eyes screened in the last two years	X	✓
		Improved Diabetes Monitoring	Percentage of the expected number of people with diabetes who have been diagnosed with diabetes and had an annual review during the year	X	✓
		Improved Diabetes Management	Percentage of people having annual reviews who had poor diabetes control	X	✓
Other DHB Measures of Performance	Elective Services	Improved Access to First Specialist Assessments	Percentage of patients who receive their first specialist assessment within six months of referral Delivery of a level of publicly funded first specialist assessment volumes at the levels specified in the District Annual Plan	X	✓
		Improved Certainty of Treatment	Percentage of patients with certainty who received treatment within six months	X	X
		100% Delivery of Contracted Surgical Volumes	Case weighted discharges delivered as specified in the District Annual Plan	✓	✓
	Hospital Safety and Effectiveness	Improved Performance as a Good Employer	Sick leave rate Workplace injuries Staff turnover	X	X
		Patient Satisfaction	Inpatient- overall satisfaction Outpatient- overall satisfaction	✓	X
		Improved Quality	Achieve and maintain accreditation status	✓	X
		Maintain Appropriate Levels of Clinical Quality Within CDHB Hospitals	Hospital acquired bacteraemia rate per 100 inpatient days IV medication error rate per 1000 inpatient days Patient falls per 100 inpatient days	✓	✓

2. Service Objectives and Measures

Strategic Plan Priorities

The following indicators reflect the performance measures specified in the 2003/06 Statement of Intent which reflect the Strategic Plan priorities. It should be noted that the number of Pacific people in the Canterbury DHB district is small (7,254 at the 2001 Census) so the percentages shown below should be interpreted with caution.

2.1. Child and Youth Health

Objective:	*Brief Description:*
Improved health status for Canterbury's children and youth. (Long term)	Keeping children and youth healthy gives them a better chance of becoming healthy adults. The Canterbury DHB Child Health Strategy (March 2002) identified a range of issues. The DHB is currently in the process of developing a child health action plan to address these issues and also intends to develop a youth health action plan. As these plans are yet to be completed, it has not been possible to develop service objectives and measures, hence the relevant DHB accountabilities to the Minister of Health as outlined in the District Annual Plan, have been included as measures of our performance during the 2003/04 year. (Note: the breast feeding indicator has not been included due to data quality issues)

Objective 2003/04	*Performance Measure*	*Performance Targets*	*Results 2003/04*	*2002/03*
Reduced number of low birth weight babies	Percentage of babies born in public hospital with low birth weight	• Māori 7.2% • Pacific 4.9% • Other 6.1% • Total 6.2%	• Māori 8.4% • Pacific 4.5% • Other 5.9% • Total 6.1%[1] It is preferable that fewer babies are born with low birth weight, hence for this indicator, lower is better. The Canterbury DHB achieved its targets for Pacific peoples and Other ethnicities and has continued to seek to achieve this target for Māori.	*(6.8%)* *(8.5%)* *(5.7%)* *(5.8%)*
Improved immunisation of Canterbury children	Percentage of children fully vaccinated by their second birthday	• Māori 75.0% • Pacific 75.0% • Other 75.0% • Total 75.0%	This was an indicator required by the Ministry of Health targets, which were agreed in our District Annual Plan. However, given data quality issues we are unable to report accurately on it. The implementation of the National Immunisation Register over the next 2 years will improve this situation.	
Reduce numbers of children with hearing loss	Percentage of children passing school entry hearing tests	• Māori 90.0% • Pacific 86.0% • Other 95.0% • Total 94.0%	• Māori 91.6% • Pacific 86.8% • Other 95.6% • Total 95.3%[2] Provisional data shows the Canterbury DHB achieved its targets for all groups.	*(93.3%)* *(83.3%)* *(95.3%)* *(94.8%)*

[1] Data is from the National Minimum Data Set, 1 January 2003 – 31 December 2003
[2] Provisional data from the National Audiology Centre, 1 July 2003 – 30 June 2004. Data not finalised until 2005.

Objective 2003/04	*Performance Measure*	*Performance Targets*	*Results 2003/04*	*2002/03*
Improved education and treatment of children with asthma	Repeat admission for asthma in children under the age of 5	• Māori 5.9% • Pacific 5.5% • Other 5.3% • Total 5.8%	• Māori 9.8% (5 readmissions) • Pacific 13.3% (2 readmissions) • Other 7.9% (15 readmissions) • Total 8.6%[3] (22 readmissions) It is preferable that there are fewer repeat admissions for asthma in children, hence for this indicator and the next one, lower is better. The Canterbury DHB's rates for children under 5 for all groups, apart from "Total", are equivalent to the overall National rate (at a 90% confidence interval). This reflects a total of just 22 readmissions in the 12 month period from January 2003 to December 2003. Because of the low numbers involved these figures should be interpreted with caution. Initiatives underway to address asthma rates include; the implementation of the new high level Child Health Action Plan, which includes a focus on asthma, as well as funding agreements with primary care providers that focus on reducing asthma rates, and continued support of the Baxter Bear project in conjunction with the Canterbury Asthma Society.	*(6.9%)* *(11.1%)* *(4.7%)* *(5.7%)*
	Repeat admission for asthma in children between the ages of 5 and 15	• Māori 5.6% • Pacific 6.4% • Other 6.0% • Total 5.8%	• Māori 16.7% (3 readmissions) • Pacific 25.0% (1 readmission) • Other 7.0% (7 readmissions) • Total 9.0%[4] (11 readmissions) The Canterbury DHB's rates for all groups were equivalent to National rates (at a 90% confidence interval). Once again, the total number of readmissions for this age group was very low, which effects percentage rates. The initiatives described above should help achieve this target in the future.	*(0.0%)* *(0.0%)* *(3.5%)* *(3.0%)*
Improved child oral health	Mean MF score at Year 8 (Form 2). Total permanent teeth filled or missing due to holes (caries) divided by the number seen by the school dental service in the period	• Total 1.6	• 1.6 There were 8,695 permanent teeth filled for 5,308 young people giving a mean MF score of 1.6.[5] It is preferable that there are fewer permanent teeth filled or missing due to holes (caries), hence for this indicator, lower is better. The Canterbury DHB met its target for this indicator.	*(1.74)*

[3] Data is from the National Minimum Data Set, 1 January 2003 – 31 December 2003
[4] Data is from the National Minimum Data Set, 1 January 2003 – 31 December 2003
[5] Data is from the Canterbury DHB Crown Funding Agreement report Quarter 3 2003/04 and covers the 2003 school year.

Objective 2003/04	*Performance Measure*	*Performance Targets*	*Results 2003/04*	*2002/03*
	Percentage of children caries free (no fillings or holes in teeth) at age 5	• Total 53.6%	• 52% There were 2,548 children at their first publicly funded dental service after their 5th and before their 6th birthday with primary dentition free of caries, with no fillings and with no teeth missing due to caries, out of a total of 4,901 children at their first publicly funded dental service after their 5th and before their 6th birthday. Thus the percentage of children caries free at age 5 is 52.0%[6]. Canterbury DHB has shown improved performances on this indicator since last year. The major factor impacting on the Canterbury DHB's performance on this measure is the low proportion of Canterbury's population receiving optimally fluoridated water supplies. Canterbury DHB's overall caries free rate is similar to other non-fluoridated areas. Māori and Pacific children have a lower rate of utilisation of dental services. Canterbury DHB is completed development of a high level Child Health Action Plan which will outline ways of improving access to services. As the inequality between these groups and other children is reduced, Canterbury's overall rate will increase to meet target. The Canterbury DHB is also actively promoting water fluoridation to Territorial Local Authorities through submissions to their Long Term Community Council Plans.	*(50%)*
Improved CDHB objectives and performance measures for child health	Develop three specific child health performance measures based on implementation of the CDHB Child Health Report	• In place for 2004/05 year	The Canterbury DHB has completed its high level Child Health Plan .The development of child health performance measures is incorporated within the work done for this plan. Following this, any new performance measures could not be put in place for the 2004/05 year and have been delayed until 2005/06.	

[6] Data is from the Canterbury DHB Crown Funding Agreement report Quarter 3 2003/04

2.2. Primary Health

Objective:	***Brief Description:***
Reduced barriers to primary health care. (Long term)	Reducing the barriers to good primary health care helps people stay well resulting in improved health status. During the 2003/04 year Canterbury DHB focused its primary care activities on the following: • Implementation of the Government's primary health care strategy via the formation of Primary Healthcare Organisations (PHOs) within Canterbury for those populations with the greatest barriers to primary health care. • Implementation of Canterbury DHB's Rural Health Action Plan (May 2002). In addition to the above, measures of the effectiveness of primary health care, as outlined the District Annual Plan, have been included as measures of our performance during the 2003/04 year.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04***	***2002/03***
Support the establishment of 4 PHOs with the Canterbury District. (Two representing rural communities, one representing lower socioeconomic groups in urban Christchurch, and one other urban PHO.)	1 low income urban PHO established	• 1 July 2003	The first Canterbury DHB PHO, the Canterbury Community PHO started up on 1 July 2003. Population enrolled as at April 2004, 4731.	
	2 Rural PHOs established	• By 1 October 2003	• Achieved 1 October 2003. Enrolled population as at April 2004; 57,149 people.	
	All rural GPs working in a PHO	• By 1 July 2004	• Achieved 1 January 2004. Enrolled population as at April 2004; 12,188 people.	
	1 urban PHO established	• By 1 April	• Achieved 1 April 2003. Enrolled population as at April 2004; 334,675 people.	
	Total Canterbury DHB population enrolled with a PHO		• 408,743 people, or 90% of the Canterbury DHB population[7], was enrolled with a PHO as at 1 April 2004	
Improved retention of Rural GPs: reduce onerous on-call rosters for rural GPs. Every GP with a rural ranking of 35 points or more to work no more than 1 in 4 weekends.	Percentage of GPs with a rural ranking of greater than 35 points who work no more than a 1 in 4 weekend roster (unless by choice).	• 100%	• 100%	*(100%)*

[7] Latest CDHB population projection from Statistics NZ for 2003 is 454,510 people

Objective 2003/04	Performance Measure	Performance Targets	Results 2003/04	2002/03
Reduce Ambulatory Sensitive Admissions: Ambulatory sensitive admissions are admissions that are potentially preventable by appropriate primary care. This measure provides an indication of access to and effectiveness of primary care.	Standardised discharge rates for ambulatory sensitive admissions 0 to 4 years of age.	• Māori 7.1% • Pacific 9.8% • Other 9.7% • Total 9.8%	• Māori 6.6% • Pacific 10.6% • Other 7.8% • Total 7.8%[8] It is preferable that there are fewer ambulatory sensitive admissions, hence for this indicator and the next two, being below the target indicates better performance. Therefore since the results for Māori, Other ethnicities and Total are lower than the performance targets, the Canterbury DHB has achieved a good performance for these groups. The Canterbury DHB has continued to seek to achieve it for Pacific peoples. Initiatives such as the Pacific Immunisation Outreach Service (targets 0-5 years), Mother and Pepi Service (targets 0-2 years), and the Pacific Health Clinic should help achieve this target in the future.	*(6.7%)* *(10.6%)* *(9.1%)* *(8.8%)*
	Standardised discharge rates for ambulatory sensitive admissions 5 to 14 years of age.	• Māori 1.5% • Pacific 2.9% • Other 1.9% • Total 1.9%	• Māori 1.5% • Pacific 2.1% • Other 1.6% • Total 1.6%[9] The results for all groups for this measure are equal to, or well below targets. Following this, the Canterbury DHB achieved a good performance for this age group.	*(1.7%)* *(2.5%)* *(1.8%)* *(1.8%)*
	Standardised discharge rates for ambulatory sensitive admissions 15 to 25 years of age.	• Māori 1.1% • Pacific 1.2% • Other 1.2% • Total 1.2%	• Māori 1.1% • Pacific 1.3% • Other 1.2% • Total 1.2%[10] Since the results for Māori, Other ethnicities and overall are equal to the performance targets, the Canterbury DHB has achieved a good performance for these ethnic groups. The target for Pacific peoples showed improvement from last year and initiatives such as the Pacific Health Clinic have assisted continued progress towards achieving this target in the future.	*(1.1%)* *(1.4%)* *(1.2%)* *(1.2%)*

[8] Data is from the National Minimum Data Set, 1 January 2003 – 31 December 2003
[9] Data is from the National Minimum Data Set, 1 January 2003 – 31 December 2003
[10] Data is from the National Minimum Data Set, 1 January 2003 – 31 December 2003

2.3. Māori Health

Objective:	***Brief Description:***
Whanau Ora *Māori families supported to achieve their maximum health and wellbeing. (Long Term)*	Evidence of Māori health disparities is well known and compelling and to address these health disparities, the Canterbury DHB has developed a Māori Health Plan (July 2002), *Whakamahere Hauora Māori Ki Waitaha.* This plan identifies a number of strategic issues, namely: • Support of the Government's commitment to the Treaty of Waitangi • Māori participation in health planning, service provision and the workforce • Effective, culturally appropriate and high quality services • Monitoring of Māori health outcomes • Working across sectors During the 2003/04 year Canterbury DHB focused its efforts on acting on these directions, improving data quality to support future developments and reducing health disparities for Māori in the other DHB priority areas.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04***
Monitoring of Māori health outcomes. Lack of accurate collection of ethnicity data currently is a significant barrier to achieving this objective. The DHB therefore plans to implement accurate ethnicity data collection throughout CDHB	At the time of writing the 2003/06 SOI the 'baseline' ethnicity data collection review was not completed and the ethnicity data collection policy was still in development. (As per the 2002/03 SOI these were planned to be completed by 20 June 2003.) During the 2003/04 year Canterbury DHB intends to develop an integrated health outcome and performance monitoring framework which aligns CDHB's Maori Health Plan "Whakamahere Hauora Maori Ki Waitaha" with the MoH Strategy "He Korowai Oranga" and the Maori Health Action Plan "Whakatataka"	No target established Development of baseline data and measures	Baseline data has been captured and an audit of ethnicity data began in June 2004
Reduced health inequalities: Māori Service Development in priority areas eg. Diabetes, Cancers, Cardiovascular disease, Child Health, etc	Refer to the relevant section of this document. Where data is available Māori specific targets have been provided.	See relevant Performance Indicators	Canterbury DHB has made progress in improving performance against targets set for Maori for the following indicators; • Repeat admissions for rheumatic fever (section 2.5) • Diabetes screening and management (section 2.7) Performance for child health indicators (section 2.1) needs further improvement. This will be addressed through the implementation of CDHB's new Child Health Action Plan.

Objective 2003/04	*Performance Measure*	*Performance Targets*	*Results 2003/04*
Determine performance measure for Maori Health and Disability outcomes	Development of baseline data and measures that link to the priority areas of diabetes, child health and cardiovascular disease	Completion of baseline data and measures	Baseline data for Mental Health and Disabilities has been captured and the Child Health Action Plan has been developed.

2.4. Mental Health

Objective:	***Brief Description:***
Improved Health Status for Canterbury Residents who have a serious ongoing mental illness. (Long Term)	About 3% of New Zealanders have a serious ongoing mental illness, which requires specialist care and treatment by a range of health and social service providers. Canterbury DHB has continued towards implementing the Mental Health Strategy and Blueprint for Mental Health Services and the Youth Suicide strategies and guidelines. In June 2004 Canterbury DHB completed a plan for the further implementation of these strategies which will be implemented in 2004/05.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04***	***2002/03***
Achieve full Mental Health Volume Delivery (Provider-Arm)	Provider Arm Mental Health volumes delivered against contract.	• 100% delivery of contracted volumes	• 99.4% of contracted volumes were delivered. Measurement of performance reflects the actual volume of services delivered multiplied by the relevant prices, expressed as a percentage of the total contracted funds. Note: In measuring performance, adjustment is made to vacant FTE positions where cover has been provided.	*(100%)*
Mental Health Service Funding across all providers meets the level specified by the Mental Health funding "ring-fence"	Contracted funding as a percentage of the Mental Health Target	• 100% allocation of funding	• 100% allocation of the ring-fenced funding to providers	*(100%)*
Improved access to Mental Health Services: The New Zealand Mental Health Strategy sets targets for access to treatment and support services for people of different age groups with severe mental illness.	Percentage of people within each age group accessing mental health treatment and support services	• 0-9 years 0.26% • 10-14 years 0.60% • 15-19 years 0.81% • 20-64 years 1.00% • 65+ years 0.16%	Average annual percentages for April 2003 – March 2004 • 0-9 0.24% • 10-14 0.73% • 15-19 1.03% • 20-64 1.03% • 65+ 0.19% [11] The Canterbury DHB achieved the targets for all groups apart from children 0-9 years. Higher percentages indicate greater numbers accessing services. The percentage of people within each age group accessing mental health treatment and support services was greater than or equal to each target. Canterbury DHB has developed a high level Child Health plan as well as a Mental Health Strategic plan. These two documents outline ways of improving access to services for children with mental illnesses. Note: data collection against this measure reflects those services provided by the Canterbury DHB. Data collection from other DHB funded mental health providers is being progressed. Current measurement therefore understates performance against the 3% target.	 *(0.3%)* *(0.6%)* *(0.8%)* *(1.0%)* *(0.2%)*

[11] Data from Crown Funding Agreement Reports – Quarters 1-4 2003/04

2.5. Disease Prevention and Management – Cardiovascular (Heart) Disease

Objective:	***Brief Description:***
Improved health status for Canterbury's Residents who are at risk of developing or have developed Cardiovascular disease (Long Term)	Cardiovascular disease has been identified by the Canterbury DHB as a priority area for improving the health status of the people of Canterbury. The Canterbury DHB is currently in the process of developing a strategy for the management of Cardiovascular disease in Canterbury. As this plan is yet to be completed, it has not been possible to develop service objectives and measures, hence the relevant DHB accountabilities to the Minister of Health, as outlined the District Annual Plan, have been included as measures of our performance during the 2003/04 year.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04***	***2002/03***
Reducing the Impact of Cardiovascular Disease	Percentage of people with certainty who waited for no more than 6 months for coronary artery bypass graft.	• 100%	• 58% (11 patients) During the year 19 people with certainty of treatment had a coronary bypass with grafts. Of these, 11 had surgery within 6 months, and the remaining 8 treated during the year waited on average 15 months.	
	Delivery of target levels of Cardiac Surgery	• 375 cases	• 345 cases The Canterbury DHB's intervention rates for cardiac surgery are consistent with those in other regions.	
	Percentage of people with certainty who waited for no more than 6 months for an angioplasty.	• 100%	• 98.9% During the year, 1 patient with certainty waited for longer than 6 months for surgery. Treatment was deferred on two occasions at the request of the patient. Treatment was provided in the first half of the year.	*(98.1%)*
	Repeat admissions for acute rheumatic fever in people under 30 years of age	• Māori • Pacific • Other • Total 29.3%	• Māori 0.0% • Pacific 0.0% • Other 0.0% • Total 0.0%[12] There were no repeat admissions for acute rheumatic fever in people under 30 years of age during the period. Hence, the Canterbury DHB met this performance target across all ethnic groups.	*(11.1%)* *(0.0%)* *(9.2%)* *(9.1%)*

[12] Data is from the National Minimum Data Set, 1 January 2003 – 31 December 2003

2.6. Disease Prevention and Management - Cancer

Objective:	***Brief Description:***
Improved health status for Canterbury's Residents who are at risk of developing or have developed Cancer (Long Term)	Cancer has been identified by the Canterbury DHB as a priority area for improving the health status of the people of Canterbury. The Canterbury DHB is currently in the process of developing a strategy for the management of Cancer in Canterbury. As this plan is yet to be completed, it has not been possible to develop service objectives and measures, hence the relevant DHB accountability to the Minister of Health, as outlined the District Annual Plan, has been included as measures of our performance during the 2003/04 year.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04*** ***2002/03***
Reducing the impact of Cancer.	Improved Access to Radiation Therapy. Number of patients who: Started treatment on time (within 4 weeks) Waited 4 - 8 weeks Waited 8 -12 weeks Waited >12 weeks Delay to radiotherapy is defined as the time elapsing between the specialist decision to commence radiotherapy and the start of treatment	Improved performance during the year with target performance for the month of June (year-end) of: • 95% • 5% • 0% • 0%	The Canterbury DHB has continued to seek to achieve the goal of 100% of patients being treated within 4 weeks. The reasons for delay are related mainly to lack of suitably qualified workforce in the sector. Delays are also due to patient preference, other illnesses and/or treatments, the need for further tests, and specific start dates for protocol reasons. Percentage / Number (June 2004 only) / *(Percentages 2002/03)* 68% / 72 / *(64.1%)* 27% / 29 / *(20.8%)* 5% / 5 / *(10.7%)* 0% / 0 / *(4.4%)* ---------- / ------- 100.0% / 106 NOTE: these figures do not include 10 category D patients as they all have specific start dates for protocol reasons. Therefore this group of patients started treatment on time but not all of them started within 4 weeks. The total number of patients seen in June 2004 was 106 + 10 = 116.

2.7. Disease Prevention and Management - Diabetes

Objective:	*Brief Description:*
Improved health status for Canterbury's residents who are at risk of developing or have developed Diabetes (Long Term)	Diabetes has been identified by the Canterbury DHB as a priority area for improving the health status of the people of Canterbury. To achieve this objective a number of areas for action exist, namely: • Health promotion, • Early detection, • Effective treatment, • Patient knowledge/information In Canterbury the greatest benefit is considered to be gained through a range of actions, which include early diagnosis and treatment of eye problems, foot problems and improved access for Māori. (Refer to "Diabetes in the Canterbury DHB: Sept 2002", for a full list of priorities). During the 2003/04 year, the CDHB primarily focused its activities on improving performance in the level of retinal screening while continuing to encourage the detection and management of Diabetes within the community. The Canterbury DHB has concerns about the data presented below and is of the opinion that these figures understate the numbers of people having annual diabetes reviews who had their eyes screened in the last two years.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04***	***2002/03***
Early diagnosis and treatment of eye problems: Increase the proportion of people with diabetes who have had their eyes screened in the last two years	The percentage of people having annual diabetes reviews who have had their eyes screened in the last two years	• Māori 40% • Total 49%	• 42.1% • 45% These results do not include the screening done in the community by optometrists and private ophthalmologists. The Canterbury DHB is working with the Eye Department and other community providers to find the best way to provide services and capture information.	 *(41.0%)*
Improved Diabetes Monitoring: Increasing the proportion of people with diabetes who receive annual checks and the associated primary care.	- The percentage of the expected number of people with diabetes who have been diagnosed with diabetes and had an annual review during the year.	• Māori 50% • Total 78%	• Māori 41.9% • Total 76.7% Canterbury DHB is working with PHOs, the Diabetes Centre, Diabetes Life Education, and the Local Diabetes Team to improve knowledge and awareness of good self-management of diabetes.	*(37.0%)* *(69.0%)*

Objective 2003/04	*Performance Measure*	*Performance Targets*	*Results 2003/04*	*2002/03*
	- Number of Diabetes Annual Checks	• Total 8,827	• 8,727 The 2003/04 result is a significant improvement from 2002/03. There were 1,297, or 17.5%, more Annual Checks during 2003/04, which represents 11.4% of the expected number of people with diabetes according to the Ministry of Health Model. As above, Canterbury DHB is working with PHOs, the Diabetes Centre, Diabetes Life Education, and the Local Diabetes Team to improve knowledge and awareness of good self-management of diabetes.	*(7,430)*
Improved Diabetes Management: Reducing the proportion of people with diabetes who have relatively poor control of their diabetes	The percentage of people having annual diabetes reviews who had poor diabetes control (HBA1c>8%)	• Māori 35% • Total 22%	• Māori 41.9% • Total 26% The Canterbury DHB has shown improved performance against this measure compared with last year and has continued to seek to achieve these targets but to date these have not been achieved. Initiatives aimed at improving Māori access to primary care and to improved knowledge about the importance of good nutrition and exercise should help the Canterbury DHB meet these targets in the future.	*(49.0%)* *(27.0%)*

3. Other DHB Measures of Performance

3.1. Elective Services

Objective:	***Brief Description:***
Improved health status for Canterbury's residents via the provision of services in a timely manner within the available resources for those with the greatest level of need. (Medium Term)	Access to outpatients services and elective surgery has been an ongoing issue for Canterbury DHB. The funding and human resources available to the DHB are limited and are not sufficient to meet all of the demand for health services. We must therefore prioritise services. CDHB intends to continue the implementation of the Governments policies in relation to elective services which include: • The provision of timely access to specialist assessment and elective surgery. • The delivery of a level of publicly funded service which is sufficient to ensure access to elective surgery before patients reach a state of unreasonable distress, ill health.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04***	***2002/03***
Improved access to first specialist assessment: Reduced waiting lists for first specialist assessments so that all appropriately referred patients can be assessed within appropriate timeframes.	Percentage of patients who receive their first specialist assessment within six months of referral	• 100%	• 97.2% Of the new patients seen during the year, 95.8% waited less than 6 months, which was a significant improvement over the previous year. This reflects gains made by initiatives aimed at strengthening appropriate referral practices, such as that with the Arthritis Society. The Canterbury DHB will continue to seek to achieve the target level of performance. At the end of the year there were 1,753 people whom we had not seen who had waited longer than 6 months. This reflects approximately two weeks work at current activity levels.	*(87.0%)*
	Delivery of a level of publicly funded First Specialist Assessment (FSA) volumes at the levels specified in the Canterbury DHB 2003/04 District Annual Plan	• 54,400 FSA	• 53,729 FSA The volume of FSAs delivered in 2003/04 was very close to the DAP target. When compared with 2002/03, delivery has increased by 991 FSAs or 2%. Canterbury DHB continues to develop innovative solutions to increase delivery. An example of this is the contract with Canterbury Orthopaedic Services for the provision of orthopaedic FSAs and surgery.	

Objective 2003/04	*Performance Measure*	*Performance Targets*	*Results 2003/04 2002/03*
Improved certainty of treatment: Provide certainty to elective surgical patients as to whether they will/will not receive access to publicly funded surgery. Provide access in a timely manner	Percentage of patients provided with certainty of treatment receiving treatment within 6 months	• 100%	• 84.0% *(92.0%)* Canterbury DHB provided 686 more elective surgical procedures in 2003/04 than in the previous year. In addition CDHB provided 723 more patients with certainty of treatment. Because CDHB promised more people surgery within 6 months performance against this measure has decreased. However, in terms of actual elective surgery provided CDHB's performance has improved upon performance in 2002/03.
	Percentage given certainty: The number of treated patients with certainty as a percentage of all patients receiving elective surgery during the period	• No target established- baseline data collection required	• 78.5% This figure will be used to compare and monitor performance in 2004/05.
Surgical Volume Delivery: Delivery of the level of surgery specified in the Canterbury DHB District Annual Plan	Case weighted discharges delivered as specified in the Canterbury DHB District Annual Plan (Case weighted discharges (cwd) are a relative measure of the cost of different types of surgery- eg cataract procedures have a lower cost weight than hip replacements)	• 34,245 cwd	• 34,547 cwd Canterbury DHB has exceeded the target surgical volume delivery. Note: the target was incorrectly recorded in the Statement of Intent as 32,000cwd.

3.2. Hospital Safety and Effectiveness

Objective:	***Brief Description:***
To be an efficient and effective provider of health services to maximise the health status of Canterbury's residents within the available resources.	The DHB is a major provider of Health Service (as well as the funder of the majority of hospital and community Personal and Family Health Services and Mental Health services) to Canterbury residents. As a provider of health services the DHB must ensure that it operates in an effective and efficient manner.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04***	***2002/03***
Improved performance as a Good employer. Initiate systems and processes to promote a good working environment that encourages a management style that is more open, inclusive and transparent and that fosters a true partnership between staff, and between staff and management.	Sick Leave Rate (As per balanced scorecard)	• 3.2% of contracted hours	• 3.3%	*(3.3%)*
	Work Place Injuries per 1,000,000 hours (As per balanced scorecard)	• 17 per 1 million hours	• 18.1 The Canterbury DHB is currently working towards entry into the ACC Partnership Programme. An independent audit has been conducted and is with ACC for their final decision. Date of entry into the programme is expected to be 1 October 2004.	*(16.3)*
	Staff Retention and Turnover (As per balanced scorecard)	• Less than 15% turnover	• 12.4% Target achieved.	
Patient Satisfaction	Inpatient – Overall Satisfaction Percentage of good or very good responses in patient survey	• Greater than 85%	• 89% Target achieved	
	Outpatient – Overall Satisfaction Percentage of good or very good responses in patient survey	• Greater than 85%	• 90% Target achieved	

Objective 2003/04	*Performance Measure*	*Performance Targets*	*Results 2003/04 2002/03*
Improved Quality. Achieve and maintain Quality Health New Zealand Accreditation for all DHB Hospitals. (Long term)	Maintain accreditation at Ashburton, Akaroa, Waikari, Darfield, Burwood and Christchurch Women's Hospitals. Achieve accreditation for Christchurch, Kaikoura, and Oxford Hospitals along with the Mental Health and Older Persons Health Services	100% of facilities maintain current accreditation status On target for accreditation as follows: ▪ Kaikoura and Oxford first survey Nov 2003 ▪ Christchurch Survey October 2004 ▪ Mental Health and Older Persons Health Survey October 04	The Canterbury DHB has achieved this target. The accreditation status of these facilities is as follows: • *Ashburton & Community Health Services* In December 2003, the Community Hospitals (Akaroa, Darfield, Ellesmere, Kaikoura, Oxford and Waikari) were surveyed by Quality Health NZ for accreditation and certification. At the same time, Ashburton Hospital had a progress visit. (They were last surveyed in May 2002 by Quality Health NZ). The progress visit also involved a certification audit against the Health and Disability Sector Standards. In April 2004, Quality Health NZ confirmed certification for Ashburton & Community Health Services. • *Burwood Hospital* Burwood Hospital was surveyed by Quality Health NZ for accreditation and certification on the 27th – 29th April 2004. They are currently awaiting their results. Their first accreditation survey was in March 2001. • *Christchurch Hospital & Corporate Services* Christchurch Hospital (including Corporate Services) were surveyed by Quality Health NZ for their first accreditation survey and certification audit on 21st – 25th June 2004. They are currently awaiting their results • *Mental Health Services (MHS) & The Princess Margaret Hospital (TPMH)* The Princess Margaret Hospital and Mental Health Services combined accreditation survey and certification audit occurred during 25th – 28th May 2004. This was their first survey. They are currently awaiting their results. • *Women's Health Division (WHD)* Quality Health NZ confirmed the continued Accreditation status for Women's Health Division facilities and services. This is the second three-year Accreditation cycle successfully completed by WHD and includes the following facilities: Christchurch Women's Hospital, Rangiora Hospital, Lincoln Hospital, Lyndhurst Hospital, and the Burwood Birthing Unit (not part of the WHD at the time of the 2000 Accreditation scope). • *Laboratory and Support Services* Canterbury Laboratories has been accredited with IANZ (ISO: 15189) since 1994. They were audited last in June 2004.

Objective 2003/04	***Performance Measure***	***Performance Targets***	***Results 2003/04*** ***2002/03***
Maintain appropriate levels of Clinical Quality within CDHB Hospitals	Hospital Acquired Bacteraemia Rate per 100 inpatient days (Burwood, Christchurch, Womens & TPMH Hospitals) (Note: excludes Ashburton Hospital due to data collection issues)	• 0.54 infections per 100 inpatient days	• 0.12 *(0.50)* Target achieved. The Canterbury DHB has showed vast improvement on performance against this indicator and has achieved a rate far lower than that recorded in recent years.
	IV Medication Error Rate per 1000 inpatient days (Ashburton, Burwood, Christchurch, Womens and TPMH Hospitals and Mental Health Services)	• 1.5 errors per 1000 inpatient days	• 1.98 *(1.38)* The 2003/04 year reflects the first year that Older Person's Health and Mental Health Services have been included for this measure. This, in addition to better reporting, has meant that the reported error rate has increased. All incidents of medication errors with the Canterbury DHB are investigated and reviewed by divisional incident review groups.
	Patient Falls per 100 inpatient days (Ashburton, Burwood, Christchurch, Womens & TPMH Hospitals, and Mental Health Services)	• 5.6 falls per 100 inpatient days	• 5.2 Target achieved

4. Summary of Revenues and Expenses by Output Class

	Funding	Governance & Funding Admin	Provider	In-House Elimination	Total District Health Board
	$'000	$'000	$'000	$'000	$'000
Revenue					
MoH Revenue	753,584	3,267	500,876	(446,365)	811,362
Patient Related Revenue			24,462		24,462
Other		1	13,656		13,657
Total Revenue	753,584	3,268	538,994	(446,365)	849,481
Expenditure					
Personnel		1,994	344,916		346,910
Depreciation		2	32,652		32,654
Interest			4,035		4,035
Capital Charge			23,306		23,306
Other	749,814	1,202	139,166	(446,365)	443,817
Total Expenditure	749,814	3,198	544,075	(446,365)	850,722
Net Surplus/(Deficit)	3,770	70	(5,081)	-	(1,241)

5. Glossary of Terms

Term	Definition
Accreditation	Achievement against a national system of standards.
Angioplasty	An angioplasty is a noninvasive procedure where a balloon-tipped catheter is inflated inside a diseased blood vessel. As the balloon is inflated, the vessel opens further allowing for improved flow of blood.
Ambulatory Sensitive Admissions	Admissions that are potentially preventable by appropriate primary care.
Audit	The verification of performance against predetermined standards or contracts by a process of inspections, interviews and appraisal of documentation.
Cardiac	Relating to the heart
CWD - Cost Weighted Discharges	This is a relative measure of the cost of different types of surgery. For example cataract surgery has a lower cost weight than hip replacement surgery.
FTE	Full time equivalent
Inequality (health)	Difference in health relative to the local community or wider society to which an individual, family or group belongs.
PHO – Primary Health Organisation	Primary Health Organisations are made up of General Practitioners, nurses, and other primary health providers, and are responsible for achieving improved health outcomes for their enrolled populations.

Audit New Zealand

AUDIT REPORT

TO THE READERS OF CANTERBURY DISTRICT HEALTH BOARD AND GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The Auditor-General is the auditor of Canterbury District Health Board (the Health Board) and group. The Auditor-General has appointed me, K J Boddy, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Health Board and group, on his behalf, for the year ended 30 June 2004.

Unqualified opinion

In our opinion the financial statements of the Health Board and group on pages 14 to 56:

▲ comply with generally accepted accounting practice in New Zealand; and

▲ fairly reflect:

  – the Health Board and group's financial position as at 30 June 2004;

  – the results of operations and cash flows for the year ended on that date; and

  – the service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 11 October 2004, and is the date at which our opinion is expressed.

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

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- ▲ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- ▲ verifying samples of transactions and account balances;
- ▲ performing analyses to identify anomalies in the reported data;
- ▲ reviewing significant estimates and judgements made by the Board;
- ▲ confirming year-end balances;
- ▲ determining whether accounting policies are appropriate and consistently applied; and
- ▲ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Health Board and group as at 30 June 2004. They must also fairly reflect the results of operations and cash flows and service performance achievements for the year ended on that date. The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001, section 43(1) of the Public Finance Act 1989 and section 43 of the New Zealand Public Health and Disability Act 2000.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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

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

This audit report relates to the financial statements of Canterbury District Health Board and Group for the year ended 30 June 2004 included on Canterbury District Health Board's web-site. The Board is responsible for the maintenance and integrity of the Canterbury District Health Board web site. We have not been engaged to report on the integrity of the Canterbury District Health Board and Groups web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 11 October 2004 to confirm the information included in the audited financial statements presented on this web site.

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