Ian Bell

Box 7 - e

AUCKLAND DISTRICT HEALTH BOARD
Te Toka Tumai

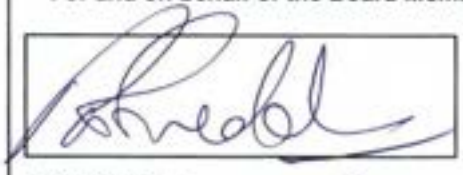
Auckland District Health Board

2009 Annual Report

integrity | respect | innovation | effectiveness - kia u ki te tika me te pono

The Board Members are pleased to present the report of Auckland District Health Board (ADHB) and the Group comprising ADHB, its subsidiary Charitable Trust, joint venture and associates for the year ended 30 June 2009.

For and on behalf of the Board Members who authorised the issue of this annual report.



P.N. Snedden
Chair

Dated: 2 November 2009

H.J. Burkhardt
Chair Finance Committee

Dated: 2 November 2009

MISSION

Auckland District Health Board (ADHB) will provide New Zealand's finest comprehensive health service through excellence and innovation in patient care, education, research and technology.

Hei Oranga Tika Mo Te Iti Me Te Rahi
Healthy Communities, Quality Healthcare

DIRECTORY

Address for Service

Auckland District Health Board
First Floor Building 10
Greenlane Clinical Centre
Greenlane West
Epsom
Auckland

Postal Address

Private Bag 92189
Auckland
Telephone: (09) 630 9817
Facsimile: (09) 639 9816
Website: www.adhb.govt.nz

Auditor

Ernst & Young (on behalf of the Controller and Auditor-General)
41 Shortland Street
PO Box 2146
Auckland 1140

Board Members

P.N. Snedden (Chair)
H.J. Burkhardt (Deputy Chair)
J.M. Agnew
S.M. Buckland
Dr. C.J.W. Chambers
R.J. Cooper
Dr. B.J. Fergus
Dr. I.K. Scott
Rt. Hon. R.J.Tizard
Seiuli Dr. J.M. Walker
I.R. Ward

Chief Executive

G.R. Smith

Executive Management

G. Balla	(Director, Performance & Innovation)
N. Buchanan	(General Manager, Operations)
T. Campbell	(Executive Director of Nursing)
M. Dotchin	(General Manager, Clinical Services)
F. Dougan	(General Manager, Clinical Services)
N. Glavish	(Chief Advisor Tikanga & General Manager, Maori Health)
K. Hyman	(General Manager, Clinical Services)
H. Fa'asalele	(Acting General Manager, Pacific Health)
Dr. D. Jury	(Chief Planning and Funding Officer)
J. Mueller	(Director, Allied Health)
Dr. C Palmer	(Clinical Leader, Planning and Funding)
V. Rawlings	(General Manager, Human Resources Operations)
Dr. D. Sage	(Chief Medical Officer)
J. Vendrig	(Chief Information Officer)
Dr. M. Wilsher	(Deputy Chief Medical Officer)
B. Wiseman	(Chief Financial Officer)

Clinical Board

Dr. D. Sage (Chair)
Dr. V. Beavis
Dr. C. Bensemann
Dr. J. Bent
T. Campbell
Mr. I. Civil
Dr. D. Court
M. Dotchin
T. Du Villier
S. Fitt
Dr. R. Franklin
Dr. R. Frith
W. Guthrie
Assoc. Prof. A. Jull
Dr. M. Lane
Dr. C. McArthur
J. Mueller
Dr. C. Palmer
Dr. C. Peterson
A. Schofield
B. Twomey
Dr. M. Wilsher
A. Yates

CHAIRMAN'S REVIEW

Auckland District Health Board is able to celebrate another successful year. The organisation has worked hard to deliver new achievements and address unforeseen challenges with much success and staff should be congratulated for delivering a great annual result.

One of the key focuses and accomplishments of the year has been to elevate quality to the top of the agenda. Lead performance improvement has been a goal for the ADHB for the last 4 years. As an organisation ADHB has made significant gains towards this goal in the 2008/09 year.

Work has begun on a number of projects which will ensure quality is the main driver for change. One family of projects sits under the Quality Improvement Committee. There are five individual workstreams

- Infection Prevention & Control
- Safe Medication Management
- Incident Reporting
- Optimising the Patient Journey
- National Mortality Review

ADHB has played a significant role in a number. The organisation is one of three DHBs leading a Hand Hygiene improvement campaign which sits under Infection Prevention and Control. A great deal of work has been done in this year for the roll-out within ADHB in the 2009/10 year. This is an organisation-wide initiative which requires the hard work and dedication of all our team and we look forward to this project improving the patient journey.

Improving the quality of the service we provide to our patients has the added benefit of tending to result in cost reduction. This has been doubly important in this time of economic crisis. The tight fiscal environment of the 2008/09 year is an indication of the economic realities facing the health sector in the future and so our ongoing focus on quality improvement remains at the top of our agenda.

The good news is that ADHB has again managed to *live within its means* for the 2008/09 year. Hard work by all staff has meant that small changes across the organisation have been reflected in our second breakeven budget in a row. A number of projects have been begun this year which will continue into the future to ensure our resources are firmly focussed on the frontline and our ADHB and national population will benefit from these initiatives.

There are some particular successes I would like to acknowledge. These include the ADHB's successful partnership with the other northern regional DHBs to manage the pandemic outbreak of H1N1 influenza. Dedication and hard work from all ADHB staff saw not only the effective management of the pandemic but also the successful continuation of business as usual at our busiest time of year.

In this year the Board, the five ADHB PHOs and Te Runanga o Ngati Whatua signed the Primary Care Plan – building on the already excellent relationship between our organisation and the manawhenua. We have committed to work together to improve the health of Maori within the Auckland Population.

The Tamaki Transformation Project, an ambitious and innovative undertaking, takes a holistic approach to improving the lives of the people of Tamaki. ADHB is a key stakeholder and is proud to be part of such an exciting and bold programme.

The 2008/09 year has brought the organisation to new heights in a larger number of areas, not all of which can be mentioned here. These achievements are largely due to the hard work, dedication and skill of our staff and leadership. The Board members and myself applaud our ADHB team and thank you for your ongoing commitment to the health of the people of Auckland.

CHIEF EXECUTIVE'S REVIEW

The 2008/09 year has been one full of challenges, opportunities and achievement for the ADHB.

The organisation has attained a number of significant milestones of which I am very proud. We learn and grow as individuals, within departments and as a DHB working in such a vibrant organisation as ours. Thank you to staff for being part of the ADHB team.

We have completed the year financially breaking even, having put quality at the top of our agenda and having continued to develop and work on our whole system approach to healthcare for the people of Auckland city and the people of New Zealand.

The challenging fiscal environment has impacted many. We are very mindful not only of the increasing pressure on our financial resources but the demands on family and whanau. The organisation will need everybody's help to manage within the resources available in the difficult years ahead.

Commitment and motivation from all our staff have enabled us to ensure that, while focusing on the bottom line, we have also improved the quality of the service we offer in a number of areas. "Leading performance improvement" is the second of our three goals and with our focus on quality and safety - placing it at the heart of all we do - we have made, and intend to continue to make, substantial improvements. Our next year's Annual Plan makes it very clear where our focus will be - delivering both the Minister's and Board's goals.

Healthcare within the community remains a key commitment. We are committed to promoting healthy lifestyles and preventing illness as much as possible within our populations. There are a number of programmes which address this. Included is our cervical cancer vaccination programme aimed at young women, other immunisation, and our new enhanced support for older people intended to assist our older population to stay in their own homes for as long as possible. Preventing cardiovascular disease and diabetes remain key areas for attention, especially with high needs communities.

Within our hospitals and inpatient facilities we have also seen considerable gains. Elective surgery discharges for the ADHB population has increased by 6% from last year and our overall inpatient discharges have increased by 7.3%. Presentations to our Emergency Departments – both adult and children – increased by 5.1% this year.

We also had the unexpected challenge of the H1N1 pandemic which began within the Auckland region in April. A superb effort from all staff meant the outbreak was well managed and we achieved our goal of delaying the peak of the disease.

We were also proud to finalise and sign a Primary Care Plan with our five PHOs and Te Runanga o Ngati Whatua.

While it is difficult to acknowledge every achievement, there have been other accomplishments in 2008/09.

In brief, we have:

- Had approximately two million patient contacts this year
- Treated 71,899 people who stayed in hospital more than one night
- Treated 52,036 people who stayed in hospital less than a full day
- Introduced a cardiac rehabilitation programme

- Ensured 75,688 people had their first specialist appointment in our outpatient's clinics
- Had 7,520 babies born within ADHB
- Seen 54,372 people in adult ED
- Seen 30,386 children in children's ED
- Increased our patients enrolled in primary care to 452,154 (up 3.7%) , with 100% of all under 5 year olds enrolled
- Piloted the use of interpreter services in general practice
- Dispensed 5,344,058 items via community pharmacies
- Increased the number of 'never smokers' in Year 10 by 7%
- Improved staff turnover to 11.3% - below target and 27% lower than the previous year
- Increased our nursing staff to 3,197 (up 3.5%)
- Increased our medical staff to 1,104 (up 3%)
- Had more staff immunised for seasonal influenza (up by 63%)
- Developed a Palliative model of care for future service development
- Granted approval for 221 research projects to proceed at ADHB

Other highlights include:

- Planning for investing $13 million in school dental clinics
- Increased the number of Pacific churches involved in the *Healthy Village Action Zone* programme to 42
- Being one of only eight hospitals worldwide to take part in a World Health Organisation study *Safe Surgery Saves Lives* (which was so successful it has now been rolled out across New Zealand)
- Developing a single shared electronic health record for Mental Health service users across the Auckland metropolitan region
- Completing a regional plan for care of those with eating disorders, including the planning of a dedicated inpatient facility
- Reducing the number of people waiting, and the length of time they waited, for cardiac surgery
- Working with AUT University and the Rangatahi Maori Mentoring Trust to develop a programme to increase the number of young Maori people working in the health sector
- Launching DV Free Workplace – a scheme to support to employees who may be exposed to domestic violence.
- Appointing the inaugural Allied Health Practitioner role for ADHB - the Physiotherapy Practitioner - Haemophilia
- Beginning work on a Procurement Taskforce with the aim of achieving savings of $45 million

ADHB is an organisation that only succeeds due to the hard work, innovation, effectiveness and dedication of its staff. This year has given our team ample opportunity to shine and I congratulate them all for making this organisation all that it is. Thank you to you all.

SUMMARY OF PERSONNEL POLICIES
FOR THE YEAR ENDED 30 JUNE 2009

ADHB is committed to being a good employer and to the principles of the Treaty of Waitangi. To this end ADHB has proactively pursued strategies to optimise the relationship between employees and their work performance in its endeavour to achieve the highest quality of work life for staff and the highest quality of healthcare for our patients.

Part of this process has been the widespread involvement of staff at all levels and all occupational groups in multi-disciplinary quality improvement groups and the formation of redesign teams aimed at improving ADHB's overall performance and efficient utilisation of its capital, material and human resources.

ADHB has continued to maintain its investment in its employees through training and development opportunities and the enhancement of its staff counselling and rehabilitation after injury services.

Good Employer Obligations Report 2009/10

Under sections 118 and 151 of the Crown Entities Act 2004, ADHB is required to report on the extent to which it complies with "good employer" policies.

Auckland District Health Board's (ADHB) vision:
"To recruit, develop and maintain a sustainable, responsive, collaborative and skilled health and disability workforce focused on the health needs of the population of ADHB now and into the future".

Auckland District Health Board (ADHB) applies the following "Good Employer Principles" to support our vision.

Principles
ADHB believes that a good employer is one who operates a Human Resources policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment and encompasses the provisions of the Health & Disability Services Act 1993.

ADHB is committed to this principle and will seek to actively uphold any legislative requirements in this regard and will put in place such systems and programmes to support this principle.

ADHB has a true commitment to its employees and its services. Regardless of the minimum requirements of legislation, ADHB will continue to promote and protect the welfare and management of employees to the mutual benefit of employees, consumers and the organisation.

Providing equal employment opportunities by eliminating any barrier that may deny a potential or existing employee the opportunity to be equitably considered for employment of their choice and the chance to perform to their maximum is a key principle practised by all representatives of ADHB in the execution of activities relating to the recruitment and management of employees (or potential employees). This includes:

- Recruitment
- Pay and other rewards
- Career development
- Work conditions

ADHB's Human Resources policies and practices will be free from any discriminatory element that has the potential to deny a person equal opportunity.

Organisation Values and Culture
As a large organisation and employer we think it is important that we use and promote management and organisational practices that are effective and efficient in the way we operate and deliver health care. We believe a high performance organisation starts with having an organisational culture where everyone is able to contribute to the way the organisation develops and adapts to change. For ADHB establishing this culture starts with having clearly articulated values. Consequently, all of ADHB's activities are underpinned by key values that define the way we behave and inform all of our decision making. These organisational values are:

- Integrity – this means being open, fair, honest and transparent in everything we do
- Respect – this means being responsive to the needs of our diverse people and communities
- Innovation – this means providing an environment where people can challenge current processes and generate new ways of learning and working
- Effectiveness – this means we will apply our learning and resources to achieve better outcomes for our communities

ADHB also recognises and respects the Treaty of Waitangi as the founding document of New Zealand. The Treaty of Waitangi is the fundamental relationship between the Crown and Iwi. It provides the framework for Maori development, health and wellbeing.

ADHB will ensure that employees maintain proper standards of integrity and conduct in accordance with ADHB's "Values" and the State Services Commission "Code of Conduct".

Complaints
ADHB supports the right of all employees to seek resolution of any complaint through the procedures contained in relevant legislation (e.g. Employment Relations Act, Human Rights Act, Employment Relations Act).

Health and Safety
ADHB are committed to and responsible for providing a healthy and safe workplace for all employees, students, volunteers and contractors whilst they are at the ADHB workplace for the purpose of ADHB work and to patients and visitors in relation to safe use of the facilities. ADHB takes all practicable steps to:

- Comply with relevant legislation, regulations, code of practice and safe operating procedures
- Provide a safe and healthy workplace, equipment and conditions
- Establish and insist on safe work practices
- Provide training in health and safety requirements
- Ensure accurate reporting and recording of workplace accidents
- Ensure all managers have an understanding of health and safety and are reviewed against their designated responsibilities
- Support employee participation in health and safety management.

ADHB strives to continuously improve the management of health and safety at all levels and within all areas of the organisation by reviewing, developing and maintaining systems that provide the framework for health and safety management (e.g. hazard management, accident reporting and investigation, staff induction and training, employee participation in health and safety committees).

Good employer report 2008-09
The Human Rights Commission has suggested that Crown entities should report under the following seven key "elements" relating to recruiting, developing, managing and retaining staff.

Element/Measurement	Policies & Procedures	Programmes
leadership accountability & culture	• Organisational values • Regular Union-employer meetings • CEO "State of the Nation" addresses to all staff • Integrated management structure • Clinical Quality and Professional Governance model • Bi-cultural policy	• Management assessment and development process • Clinical/managerial partnership • ADHB Welcome Day – initial address to participants by CEO • Individual Service Planning Days – multidisciplinary involvement • Nova Magazine (newsletter for staff) • Goodwill Meet & Greet (Senior Management Team serve festive treats to all staff) • X-Factor – annual staff talent show actively supported by senior leadership
recruitment, selection and induction	• Intranet based guides for recruitment & selection • In-house Careers Centre • Staff have access to intranet based recruitment site • Wide media coverage, advertising • Overseas and Local recruitment expos	• Induction guides for managers • Support of Overseas Candidates social evenings • Work Experience Days • Open Days at Children's and Women's services • Careers Centre evening for local candidates to meet and talk about job opportunities • Careers Centre website accessible internally & externally • Candidate and hiring manager satisfaction surveys • Internal promotion of vacancies via Nova Magazine link and ADHB Intranet site
employee development, promotion and exit	• Guides to training and coaching staff • Documented exit procedures • Majority of staff on MECAs have continuing education provisions • Other staff have the ability to negotiate specific training & development opportunities	• Alumni programme in place • Annual Performance Development/Management Process • Individual Performance Planning • Sabbaticals for Senior Medical Officers • Exit interviews

flexibility & work design	• Flexible rostering practices subject to clinical requirements	• Participation in pay and employment equity review • Review of family friendly initiatives • Staff Crèche on each site
remuneration recognition & conditions	• Majority of staff on transparent MECAs • Annual review of IEA remuneration based on market data • Clinical staff embedded in integrated management structure	• Nova awards – peer recognition of individuals or teams living the organisational values • Long service awards • Celebration week – a week of activities celebrating clinical, teaching and research achievements • Staff benefits with external providers • Recognition of retiring staff & staff who die in service through a tribute in NOVA
harassment & bullying prevention	• Harassment policy in place • Workplace Violence Prevention Policy in place	• Formal and informal processes documented and available for response to harassment • Presentations provided to staff/teams as required/requested, to promote awareness
safe and healthy environment	• Dedicated Occupational Safety & Health department • Health & Safety Policy in place • Harassment Policy in place • Workplace Violence Prevention Policy in place	• ACC Partnership Programme - Tertiary accredited. Good relationships with third party provider • Staff leadership of service-based Health & Safety committees • Staff Wellness initiatives • DV-Free (domestic violence) free programme available to staff (staff contact people trained and awareness session run for all staff to attend) • Support material available for staff and managers to understand and manage workplace stress • Patient Handling project including staff training and equipment acquisition • Free influenza vaccine programme for staff • EAP services provided free to staff • Healthy Eating Healthy Action initiatives for staff • Involvement in Feetbeat • Annual ADHB team in Round the Bays • Free work-related Occupational Health assessments for staff • Workstation assessments • Work area safety checks • Staff Breastfeeding policy & facilities • Weight Watchers meeting on site weekly • Pilates programmes available on site

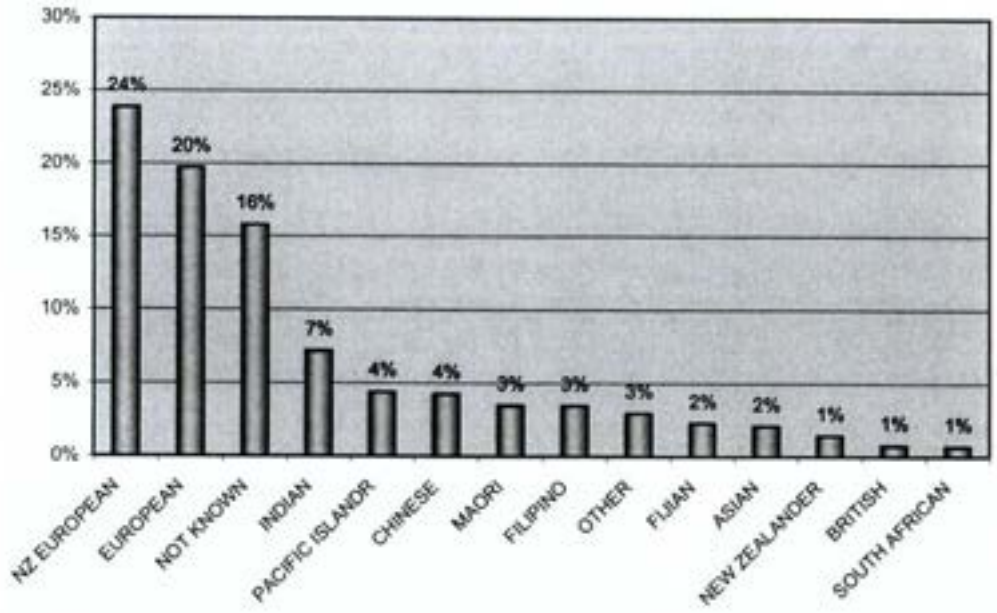
WORKFORCE DEMOGRAPHIC INDICATORS

Turnover

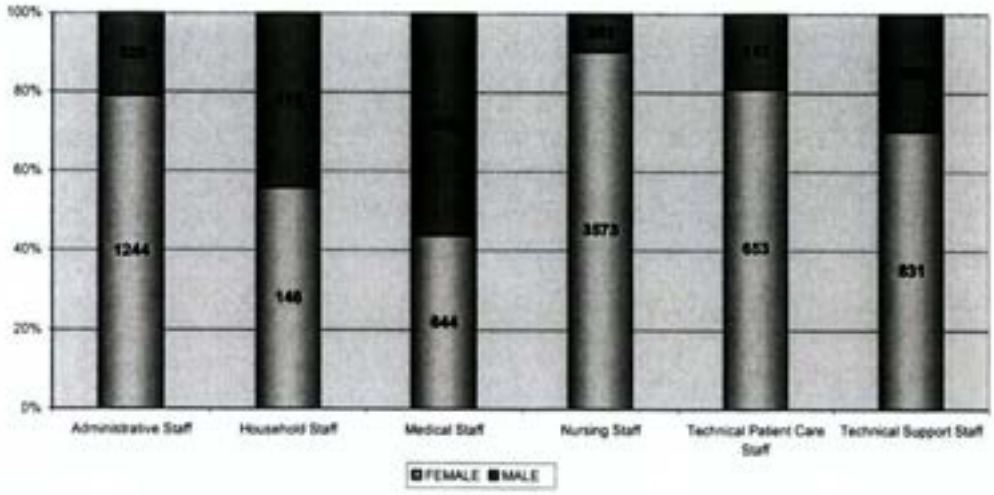
Staff turnover for year ended 30 June 2009 – 11%

Employee Diversity

It is not mandatory for employees to disclose their ethnic group and some employees choose not to do so. A number of employees have a mixture of ethnic background and some believe it is not respectful to identify one ethnic group over another. The table below identifies all ethnic groups that represent greater than 1% of our workforce. We are fortunate to have many other ethnic groups within our workforce and this individually account for less than 1% of our workforce.



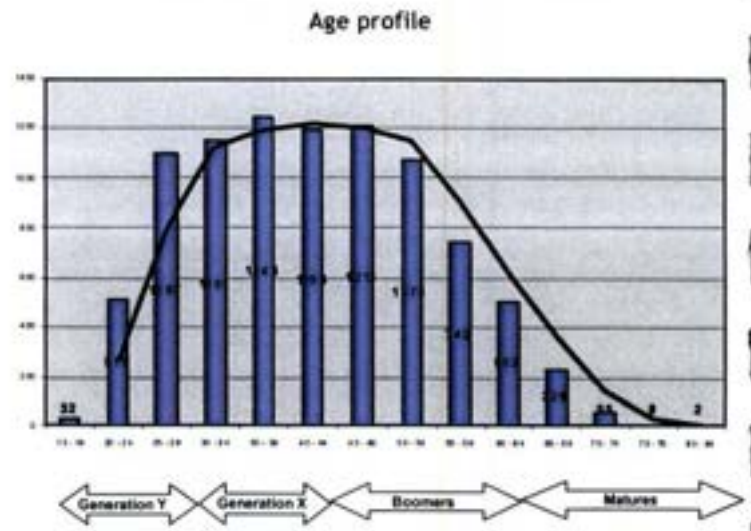
Gender



Please note that the count of the # of employees by self-identified race or gender and count of the # of employees include all employees, multiple appointments excluded.

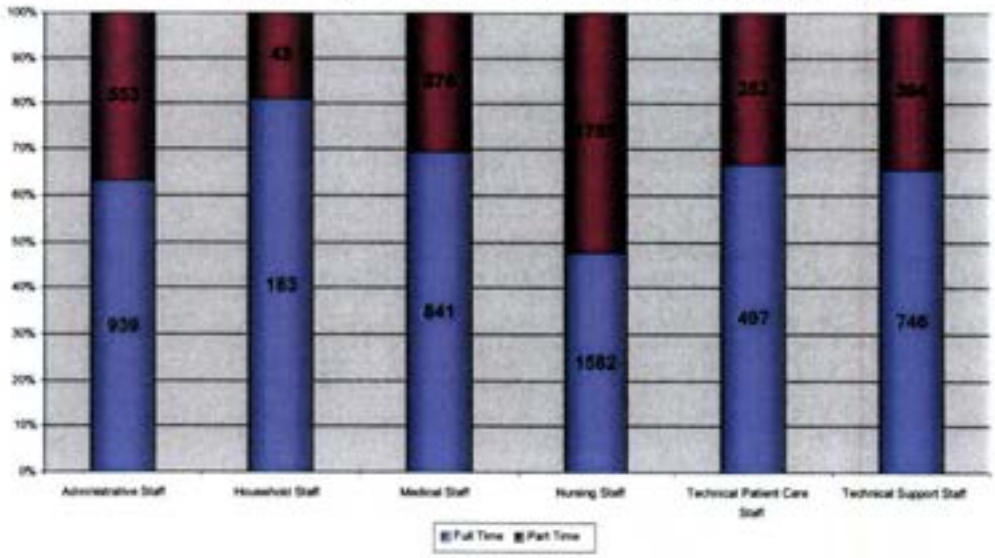
Distribution of employees by age group

- ADHB total FTE = approx 7452
- Total staff by headcount = approx 9264
- Nursing is the largest part of workforce
- 77% of the workforce is female
- 44% of the medical workforce is female
- Average age = 42
- 79% of employees are permanently employed with a flexible workforce of 21%



Note: The above figures exclude employees on parental leave or long term leave without pay. Source: Kiosk

Total Number of Employees (Heads) Full and Part Time by Occupational Group



Please note that the count of the # of employees by self-identified race or gender and count of the # of employees include all employees, multiple appointments excluded.

STATEMENT OF RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2009

1. The Board and management of ADHB accepts responsibility for the preparation of the financial statements and the judgements used in them;

2. The Board and management of ADHB accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

3. In the opinion of the Board and management of ADHB, the financial statements for the year ended 30 June 2009 fairly reflect the financial position and operations of ADHB.

P.N. Snedden	H.J. Burkhardt	G. R. Smith
Chair	Chair Finance Committee	Chief Executive
Dated: 2 November 2009	Dated: 2 November 2009	Dated: 2 November 2009

STATUTORY INFORMATION

In respect of the financial year ended 30 June 2009 the Board members of ADHB submit the following report:

Members of the Board - Current

Board member	Experience with ADHB
Patrick Nesbit Snedden (Chair)	From December 2007
Harry Jacques Burkhardt (Deputy Chair)	From June 2003
Joanne Margaret Agnew	From December 2007
Susan Margaret Buckland	From December 2007
Dr. Christopher John Wesley Chambers	From December 2001
Robin John Cooper	From December 2007
Dr. Brian Joseph Fergus	From December 2007
Dr. Ian Kevin Scott	From December 2001
Rt. Hon. Robert James Tizard	From December 2007
Seiuli Dr. Juliet Maria Walker	From December 2007
Ian Ronald Ward	From December 2007

BOARD COMMITTEES AS AT 30 JUNE 2009 - STATUTORY COMMITTEES

Community and Public Health Advisory Committee

Dr. B.J. Fergus (Chair)	R.J. Cooper	Rt. Hon. R.J.Tizard
J.M. Agnew	Rev. A. Ngaro	Seiuli Dr. J.M. Walker
S.M. Buckland	Dr. I. K. Scott	I.R. Ward
H. J. Burkhardt	P.N. Snedden	L. Williams
Dr. C. J. W. Chambers	F. Sultana	

Disability Support Advisory Committee

J.M. Agnew (Chair)	Tunumafono A. Fa'amoe	N. Tan
S.M. Buckland	M. E. M. Hull-Brown	Rt. Hon. R.J.Tizard
P. Druskovich	D.A. Kirton	

Hospital Advisory Committee

Dr. C.J.W. Chambers (Chair)	Assoc. Prof. A. Kolbe	Rt. Hon. R.J.Tizard
J.M. Agnew	Prof. I. Martin	Seiuli Dr. J.M. Walker
S.M. Buckland	Dr. I.K. Scott	I.R. Ward
H.J. Burkhardt	P.N. Snedden	L. Williams
R.J. Cooper	F. Sultana	
Dr. B.J. Fergus	Dr R. Tapsell	

BOARD COMMITTEES AS AT 30 JUNE 2009 - BOARD ESTABLISHED COMMITTEES

Finance Committee

H.J. Burkhardt (Chair)	Dr. I.K. Scott	I.R. Ward
Dr. B.J. Fergus	P.N. Snedden	

Quality Risk and Audit Committee

Dr. I.K. Scott (Chair)	Dr. C.J.W. Chambers	Seiuli Dr. J.M. Walker
J.M. Agnew	Dr. B.J. Fergus	
S.M. Buckland	P.N. Snedden	

Maori Health Advisory Committee

R.J. Cooper (Chair)	T. Kingi	P.N. Snedden
H.J. Burkhardt	L. Mitchelson	T. Stewart
Dr. C. J.W. Chambers	P. Rameka	

Pacific Health Advisory Committee

Rev. A. Ngaro (Chair)	L. Halatau	P.N. Snedden
Dr. C.J.W. Chambers	Aufa'amulia A. Lole - Taylor	Seiuli Dr. J.M. Walker
R.J. Cooper	B. McCarthy	I.R. Ward
Tafilelea F. Gagamoe	M. Maka	

Principal activities

The ADHB functions are set out in section 23(1) of the New Zealand Public Health and Disability Act 2000. It is responsible for the funding of health services.

ADHB provides its own hospital and health services at:

- Auckland City Hospital
- Greenlane Clinical Centre
- Community and Mental Health Service sites
- Point Chevalier

Review of operations

	Group $000	Parent $000
Results for the year ended 30 June 2009		
Operating surplus	306	(1,570)
Share of net surpluses of associates	20	0
Net surplus	326	(1,570)
Equity of ADHB as at 30 June 2009		
Current assets	148,850	136,355
Non-current assets	918,180	909,795
Total assets	1,067,030	1,046,150
Current liabilities	298,471	290,501
Non-current liabilities	289,841	289,841
Total liabilities	588,312	580,342
Total equity	478,718	465,808

Capital Charge

The capital charge for the year ended 30 June 2009 was $39.678 million (to 30 June 2008: $38.405million) and is treated as an operating expense – note 15.

Equity Comparisons

Equity of $35 million has been repaid to the Crown (to 30 June 2008, $106k received).

Financial statements

The financial statements of ADHB and the Group for the year ended 30 June 2009 are included separately in this report. The Group consists of ADHB, the Auckland District Health Board Charitable Trust (beneficial control) and associated entities, Auckland Regional RMO Services Limited (33% owned), Northern DHB Support Agency Limited (33% owned) and Treaty Relationship Company Limited (50% owned)

Interests register

During the year the following entries were recorded in the Interests Register of ADHB:

(a) Board Members' Fees	Year ended 30/6/09 $
P.N. Snedden (Chair)	88,000
H.J. Burkhardt (Deputy Chair)	65,378
J.M. Agnew	31,110
S.M. Buckland	32,250
Dr. C.J. Chambers	31,625
R.J. Cooper	29,875
Dr. B.J. Fergus	34,688
Dr. I.K. Scott	34,063
Rt. Hon. R.J.Tizard	35,063
Seiuli Dr. J.M. Walker	31,000
I.R. Ward	34,000
Fees paid to Board Members	**447,052**

(b) Board Members use of ADHB information

No notices were received from the Board members requesting the use of ADHB information, received in their capacity as Board Members, which would not otherwise have been available to them.

(c) Committee Members' Fees	Year ended 30/6/09 $
P. Druskovich	750
Tunumafona A. Fa'amoe	250
Tafilelea F. Gagamoe	1,500
L. Halatau	2,900
D. Kirton	1,000
Assoc. Prof. A. Kolbe	750
Aufa'amulia A. Lole - Taylor	2,250
B. McCarthy	1,813
L. Mitchelson	2,000
M. Maka	2,000
Rev. A. Ngaro	4,125
P. Rameka	1,750
F. Sultana	1,750
L. Williams	4,500
Fees paid to Committee Members	**27,338**

(d) Board Members' Interests

The Board Members have declared that they may benefit from any contract that may be made with the entities listed below by virtue of their directorship or memberships of those entities:

Board Member	Interest
P.N. Snedden (Chair)	Consultant, Ngati Whatua o Orakei Maori Trust Board; Director, Watercare Services Ltd; Chairman, Housing New Zealand; Chairman, Tamaki Establishment Board; Chairman, Quality Improvement Committee; Chief Crown Negotiator, Ngati Kahu Claim; Chief Crown Negotiator, Muriwhenua Forum
H. J. Burkhardt (Deputy Chair)	Owner/Managing Director, Replas Ltd; Owner/Director, Matta Products Ltd; Shareholder/Director, Remat Group Ltd; Shareholder/Director, Burkhardt Investments Ltd; Shareholder/Director, Burris Ltd; Director, Reco Ltd; Trustee, ADHB Charitable Trust; Chairman, NZ Maori Arts & Craft Institute; Shareholder/Director, Matt I Ltd; Trustee, Matta LLC; Deputy Chairman and Negotiator Ngati Kuri o te Iwi
J.M. Agnew	Senior Lecturer Nursing, Auckland University
S.M. Buckland	Self employed, Writing, Editing & Public Relations; Committee Member, Medical Council of New Zealand;
Dr. C. J. W. Chambers	Employee, ADHB; Wife employed by Safekids; Associate, Epsom Anaesthetic Group; Member, ASMS; Shareholder, Ormiston Surgical; Member, Credentialing Committee for private hospitals
R.J. Cooper	Chief Executive, Ngatihine Health Trust; Board Member, New Zealand Research Centre for Growth & Development; Advisory Trust Board Member, James Henare Research Centre, University of Auckland; Board Member, Manaia PHO Whangarei
Dr. B.J. Fergus	Nil
Dr. I.K. Scott	Shareholder and Deputy Chairman, Auckland PHO
Rt. Hon. R.J.Tizard	Nil
Seiuli Dr. J.M. Walker	Locum General Practitioner, Mangere - PHO TAPasefika, Grey Lynn - PHO Procare; Member, National Breast Screening Advisory Committee; Member, Counties Manukau Breast Screening Advisory Committee; Facilitator, RNZCGP General Practice Education Programme Stage II; Employee, ADHB; Ministry of Health Clinical Advisor, Pacific Innovations
I.R. Ward	Nil

Auckland District Health Board Charitable Trust

Auckland District Health Board Charitable Trust administers the donations, bequests and research funds to ADHB with the exception of funds held on behalf of patients and the Ngati Whatua Trust Board, which are still held by ADHB and will be distributed as required.

Trustees of the Trust at 30 June 2009

Trustee	Experience with A+ Charitable Trust
Dr. R. Frith (Chair)	Appointed 12 October 2003
B. Wiseman*	Appointed 13 February 2009
H. J. Burkhardt*	Appointed 7 April 2005
T. Campbell	Appointed 8 April 2004
R. Jarrold	Appointed 12 December 2008
Dr. S. Macfarlane	Appointed 11 March 2005
T. MacAvoy	Appointed 12 June 2009
P. Poole	Appointed 12 June 2009
Dr. D. Sage*	Appointed 8 August 2003
G. R. Smith*	Appointed 7 April 2006

*Appointed as Ex Officio Trustees from 7 April 2006 when new Deed of Trust effected.

Employee remuneration

During the year, the following numbers of employees of ADHB received remunueration over $100,000.

Remuneration Range	Medical	Non- Medical	Number of Employees
$650,000-$660,000	1		1
$540,000-$550,000		1	1
$490,000-$500,000	2		2
$470,000-$480,000	1		1
$440,000-$450,000	1		1
$430,000-$440,000	3		3
$410,000-$420,000	2		2
$400,000-$410,000	3		3
$380,000-$390,000	2		2
$370,000-$380,000	5		5
$360,000-$370,000	5		5
$350,000-$360,000	8		8
$340,000-$350,000	5		5
$330,000-$340,000	14		14
$320,000-$330,000	12		12
$310,000-$320,000	18		18
$300,000-$310,000	22		22
$290,000-$300,000	17	1	18
$280,000-$290,000	20	1	21
$270,000-$280,000	25		25
$260,000-$270,000	17	1	18
$250,000-$260,000	20		20
$240,000-$250,000	19	3	22
$230,000-$240,000	23		23
$220,000-$230,000	22	1	23
$210,000-$220,000	29	1	30
$200,000-$210,000	24		24
$190,000-$200,000	35	1	36
$180,000-$190,000	34	1	35
$170,000-$180,000	41	2	43
$160,000-$170,000	42	2	44
$150,000-$160,000	47	6	53
$140,000-$150,000	44	9	53
$130,000-$140,000	46	16	62
$120,000-$130,000	68	46	114
$110,000-$120,000	64	47	111
$100,000-$110,000	63	105	168
Total	804	244	1,048

Note:

Of the 1,048 employees shown above, 804 are or were medical or dental employees and 244 are or were neither medical nor dental employees. If the remuneration of part-time employees were grossed-up to a full time equivalent basis, the total number of employees with full time equivalent salaries of $100,000 or more would be 1,286 compared with the actual total number of employees disclosed above of 1,048.

Remuneration in the Medical column may include one-off adjustments to base salary from job-sizing.

Employee termination

Termination payments	Payment $	Employees
Total	1,547,563	87

During the year ended 30 June 2009, termination payments were made in respect of 87 employees (106 payments in year ended 30 June 2008). Termination payments consist of settlements and redundancy payments made during the year.

Auditor

The Controller and Auditor-General is appointed under section 43 of the New Zealand Public Health and Disability Act 2000. Ernst & Young has been contracted to provide these services.

Remuneration to auditor	$000
Audit fees	260

Donations

ADHB did not make any donations during the year.

For and on behalf of the Board Members who authorised the issue of this Annual Report.

P.N. Snedden
Chair

Dated: 2 November 2009

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Group Budget	Group Actual		Parent Actual	
		2009 $000	2009 $000	2008 $000	2009 $000	2008 $000
Revenue						
Patient care revenue		1,501,827	1,538,827	1,444,412	1,538,827	1,444,412
Other revenue		98,603	99,406	85,866	90,388	78,074
Total revenue	2	1,600,430	1,638,233	1,530,278	1,629,215	1,522,486
Expenses						
Employee benefit cost	3a	674,379	686,971	640,016	683,680	636,917
Direct treatment cost		193,253	217,708	188,745	217,111	187,925
Funder payments		517,202	521,457	489,308	521,457	489,308
Indirect treatment costs	3b	35,519	36,919	34,468	36,919	30,950
Property, equipment & transport costs.	3c	51,413	49,252	49,894	49,252	49,894
Other operating expenses	3d	22,417	22,228	20,414	18,974	20,414
Capital charge	3e	37,238	39,678	38,405	39,678	38,405
Depreciation and amortisation expenses	3f	47,840	42,810	44,651	42,810	44,651
Finance costs	3g	21,169	20,904	22,018	20,904	22,018
		1,600,430	1,637,927	1,527,919	1,630,785	1,520,482
Share of net surpluses of joint venture & associates		0	20	34	0	0
Net surplus/ (deficit) before and after tax		0	326	2,393	(1,570)	2,004

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

GROUP	Notes	Public Equity	Accumulated surplus /(deficit)	Other reserves	Trust / Special Funds	Total equity
		$000	$000	$000	$000	$000
Balance as at 1 July 2007		600,983	(481,660)	290,076	10,293	419,692
Movement in revaluation of land and buildings		0	0	126,940	0	126,940
Total income and expense for the period recognised directly in equity		0	0	126,940	0	126,940
Profit/(loss) for the period		0	2,039	0	354	2,393
Total income and expense for the period		0	2,039	126,940	354	129,333
Contributions from/(repayment to) the Crown		106	0	0	0	106
Total equity transactions		106	0	0	0	106
Balance as at 30 June 2008	6	601,089	(479,621)	417,016	10,647	549,131
Balance as at 1 July 2008		601,089	(479,621)	417,016	10,647	549,131
Movement in revaluation of land and buildings		0	0	(35,739)	0	(35,739)
Total income and expense for the period recognised directly in equity		0	0	(35,739)	0	(35,739)
Profit/(loss) for the period		0	(1,548)	0	1,874	326
Total income and expense for the period		0	(1,548)	(35,739)	1,874	(35,413)
Contributions from/(repayment to) the Crown		(35,000)	0	0	0	(35,000)
Total equity transactions		(35,000)	0	0	0	(35,000)
Balance as at 30 June 2009	6	566,089	(481,169)	381,277	12,521	478,718

PARENT	Notes	Public Equity	Accumulated surplus /(deficit)	Other reserves	Trust / Special Funds	Total equity
		$000	$000	$000	$000	$000
Balance as at 1 July 2007		600,983	(481,992)	290,076	0	409,067
Movement in revaluation of land and buildings		0	0	126,940	0	126,940
Total income and expense for the period recognised directly in equity		0	0	126,940	0	126,940
Profit/(loss) for the period		0	2,004	0	0	2,004
Total income and expense for the period		0	2,004	126,940	0	128,944
Contributions from/(repayment to) the Crown		106	0	0	0	106
Total equity transactions		106	0	0	0	106
Balance as at 30 June 2008	6	601,089	(479,988)	417,016	0	538,117
Balance as at 1 July 2008		601,089	(479,988)	417,016	0	538,117
Movement in revaluation of land and buildings		0	0	(35,739)	0	(35,739)
Total income and expense for the period recognised directly in equity		0	0	(35,739)	0	(35,739)
Profit/(loss) for the period		0	(1,570)	0	0	(1,570)
Total income and expense for the period		0	(1,570)	(35,739)	0	(37,309)
Contributions from/(repayment to) the Crown		(35,000)	0	0	0	(35,000)
Total equity transactions		(35,000)	0	0	0	(35,000)
Balance as at 30 June 2009	6	566,089	(481,558)	381,277	0	465,808

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009

	Notes	Group Budget	Group Actual		Parent Actual	
		As at 30/06/09 $000	As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000
Current Assets						
Cash and cash equivalents	7	18,615	61,938	80,831	61,938	80,831
Trust/special funds	8a	11,304	10,742	12,905	0	0
Patient & restricted trust funds	8b	1,037	1,037	983	1,037	983
Trade & other receivables	9	48,508	63,416	78,552	61,663	76,994
Inventories	10	10,481	11,717	10,763	11,717	10,763
Property held for sale	11c	0	0	100	0	100
Total Current Assets		89,945	148,850	184,134	136,355	169,671
Non-Current Assets						
Trust/special funds	8a	6,000	8,000	4,850	0	0
Property, plant and equipment	11a	891,910	888,801	929,589	888,801	929,589
Intangible assets	11b	12,164	12,766	9,195	12,766	9,195
Derivative financial instruments	19	925	8,227	1,726	8,227	1,726
Investments in joint venture & associates	5	327	386	366	1	1
Total Non-Current Assets		911,326	918,180	945,726	909,795	940,511
Total Assets		1,001,271	1,067,030	1,129,860	1,046,150	1,110,182

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009

	Notes	Group Budget	Group Actual		Parent Actual	
		As at 30/06/09 $000	As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000
Current Liabilities						
Bank overdraft	7	0	26,650	1,650	26,650	1,650
Trade and other payables	13a	119,760	133,127	142,772	125,157	134,108
Employee benefits	13b	107,955	118,008	116,148	118,008	116,148
Provisions	13c	0	4	99	4	99
Interest-bearing loans and borrowings	14,18	15,372	18,372	15,584	18,372	15,584
Derivative financial instruments	19	0	1,273	0	1,273	0
Patient & restricted trust funds	8b	1,037	1,037	983	1,037	983
Total Current Liabilities		244,124	298,471	277,236	290,501	268,572
Non-Current Liabilities						
Employee benefits	13b	22,937	20,673	21,063	20,673	21,063
Interest-bearing loans and borrowings	14	272,148	269,168	282,430	269,168	282,430
Total Non-Current Liabilities		295,085	289,841	303,493	289,841	303,493
Total Liabilities		539,209	588,312	580,729	580,342	572,065
Net Assets		462,062	478,718	549,131	465,808	538,117
Equity						
Public equity	6a	566,089	566,089	601,089	566,089	601,089
Accumulated deficit	6b	(480,771)	(481,169)	(479,621)	(481,558)	(479,988)
Other reserves	6c	367,737	381,277	417,016	381,277	417,016
Trust/special funds	6d	9,007	12,521	10,647	0	0
Total Equity		462,062	478,718	549,131	465,808	538,117

For and on behalf of the Board Members who authorised the issue of this Annual Report.

P.N. Snedden
Chair

Dated: 2 November 2009

H. J. Burkhardt
Chair Finance Committee

Dated: 2 November 2009

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Group Budget 2009 $000	Group Actual 2009 $000	Group Actual 2008 $000	Parent Actual 2009 $000	Parent Actual 2008 $000
Cash Flows from Operating Activities						
Cash was provided from:						
Cash receipts from Ministry of Health and patients		1,616,724	1,629,604	1,556,640	1,621,159	1,549,722
Interest received		13,311	11,356	8,874	9,969	8,359
		1,630,035	1,640,960	1,565,514	1,631,128	1,558,081
Cash was applied to:						
Cash paid to employees		682,847	686,354	614,705	683,823	567,691
Cash paid to suppliers		851,882	836,216	779,453	829,844	821,023
Interest paid		21,158	21,065	25,140	21,065	25,140
Net goods and services taxes paid/(refunded)		0	2,089	(2,383)	2,148	(2,688)
Capital charges paid		0	50,326	20,532	50,326	20,532
		1,555,887	1,596,050	1,437,447	1,587,206	1,431,698
Net cash inflow from operating activities	7	74,148	44,910	128,067	43,922	126,383
Cash Flows from Investing Activities						
Cash was provided from:						
Proceeds from sale of property, plant and equipment		39	83	165	83	165
Decrease/(Increase) in restricted trust funds		72	(1,042)	(1,757)	(54)	(73)
		111	(959)	(1,592)	29	92
Cash was applied to:						
Purchase of property, plant and equipment		(58,900)	(42,344)	(33,550)	(42,344)	(33,550)
Net cash (outflow) from investing activities		(58,789)	(43,303)	(35,142)	(42,315)	(33,458)
Cash Flows from Financing Activities						
Cash was provided from:						
Proceeds from loans raised/(repaid)		(10,500)	(10,500)	(10,500)	(10,500)	(10,500)
Proceeds from capital contributed/(repaid)		(35,000)	(35,000)	106	(35,000)	106
Net cash inflow/(outflow) from financing activities		(45,500)	(45,500)	(10,394)	(45,500)	(10,394)
Movement in cash and cash equivalents						
Opening cash and cash equivalents		48,756	79,181	(3,350)	79,181	(3,350)
Net cash inflow/(outflow)		(30,141)	(43,893)	82,531	(43,893)	82,531
Closing cash and cash equivalents	7	**18,615**	**35,288**	**79,181**	**35,288**	**79,181**

The accompanying notes form an integral part of these financial statements.

Note 1 **SIGNIFICANT ACCOUNTING POLICIES**

Reporting entity

The reporting entity is the Auckland District Health Board (ADHB) which was created by the New Zealand Public Health and Disability Act 2000. ADHB is a reporting entity for the purposes of the New Zealand Public Health and Disability Act 2000, the Financial Reporting Act 1993, and the Public Finance Act 1989 and the Crown Entities Act 2004.

ADHB is a Public Benefit Entity (PBE), as defined under NZ IAS 1.

ADHB's activities range from delivering health and disability services through its public provider arm to shared services for both clinical and non-clinical functions e.g. laboratories and facilities management, as well as planning health service development, funding and purchasing both public and non-government health services for the district.

The consolidated financial statements include ADHB and its subsidiaries and interest in associates and jointly controlled entities.

Statement of compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for Public Benefit Entities (PBE).

Basis of preparation

The financial statements are presented in New Zealand Dollars (NZD), rounded to the nearest thousand. The financial statements are prepared on the historical cost basis except that the following asset and liabilities are stated at their fair value: derivative financial instruments (foreign exchange and interest rate swaps), land and buildings.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The preparation of financial statements in conformity with NZ IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of NZ IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

Basis for consolidation

Subsidiaries

Subsidiaries are entities controlled by ADHB. Control exists when ADHB has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. ADHB is the main beneficiary of the Auckland District Health Board Charitable Trust and has control. Accordingly, the assets and liabilities of the ADHB Charitable Trust are included in the consolidated financial statements of ADHB from the date that control commences until the date that control ceases. Consistent accounting policies have been used for both ADHB and the Charitable Trust.

Subsidiaries are consolidated from the date on which control is obtained by the group and cease to be consolidated from the date on which control is transferred out of the group.

In preparing the consolidated financial statements, all intercompany balances and transactions, revenue and expenses and profit and losses resulting from intra - group transactions have been eliminated in full.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint Venture

A joint venture is an entity over whose activities ADHB has joint control, established by contractual agreement. The consolidated financial statements include ADHB's joint interest in the joint venture, using the equity method, from the date that joint control commences until the date that joint control ceases.

Treaty Relationship Company Ltd is a joint venture company (50% owned) with Te Runanga O Ngati Whatua. Originally created as a vehicle through which to channel joint health related activities, it has not undertaken any business for some years and as at the date of this report work is underway to wind up the company.

Associates

Associates are those entities in which ADHB has the power to exert significant influence, but not control, over the financial and operating policies. ADHB holds shareholdings in the following associates: Auckland Regional RMO Services Limited (previously The Northern Clinical Training Network Limited) (33% owned) and Northern DHB Support Agency Limited (33% owned).

Associates are accounted for at the original cost of the investment plus ADHB's share of the change in the net assets of associates on an equity accounted basis, from the date that the power to exert significant influence commences until the date that the power to exert significant influence ceases. When ADHB's share of losses exceeds its interest in an associate, ADHB's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that ADHB has incurred legal or constructive obligations or made payments on behalf of an associate. There are no differences in accounting policies between the parent and associate entities.

Auckland Regional RMO Services Limited is a joint venture company with Counties-Manukau and Waitemata DHBs, which exists to support and facilitate employment and training for Resident Medical Officers across the three Auckland regional DHBs.

Northern DHB Support Agency Limited is a joint venture company with Counties-Manukau and Waitemata DHBs which exists to provide a shared services agency to the three Auckland regional DHB boards in their roles as health and disability service funders, in those areas of service provision identified as benefiting from a regional solution.

Transactions eliminated on consolidation

All inter-entity transactions are eliminated on consolidation.

Foreign Currency

Both the functional and presentation currency of ADHB and Group is New Zealand dollars (NZD). Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at 30 June 2009 are translated to NZD at the rate ruling at that date. Foreign exchange differences arising on translation and settlement are recognised in the Statement of Financial Performance. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZD at foreign exchange rates ruling at the date the fair value was determined.

Budget Figures

The budget figures are those approved by the Board in its District Annual Plan and included in the Statement of Intent tabled in Parliament. The budgets have been prepared using the same accounting policies as those used in the preparation of these financial statements.

Equity

Equity comprises Contributions from the Crown, Accumulated surpluses/deficits and Reserves. Crown contributions are recognised at the amount received, accumulated surpluses/deficits in accordance with the financial results using generally accepted accounting principles, and reserves from changes in the value of land and buildings.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (PPE)

The major classes of PPE are as follows:

- Freehold Land
- Freehold Buildings and fitouts
- Plant, equipment and vehicles
- Leased assets
- Work In Progress

Owned Assets

Except for land and buildings (as well as the assets vested from the hospital and health service – see below), items of PPE are stated at cost, less accumulated depreciation and impairment losses.

Land and buildings are revalued to fair value as determined by an independent registered valuer with sufficient regularity to ensure the carrying amount is not materially different to fair value, and at least every 3 years. The latest revaluation was done on 30 June 2009. Any increase in value of a class of land and buildings is recognised directly to equity unless it offsets a previous decrease in value recognised in the Statement of Financial Performance in which case the increase is recognised in the Statement of Financial Performance. Any decreases in value relating to a class of land and buildings are debited directly to the revaluation reserve, to the extent that they reverse previous surpluses and are otherwise recognised as an expense in the Statement of Financial Performance.

Additions to PPE between valuations are recorded at cost.

Where material parts of an item of PPE have different useful lives, they are accounted for separately.

Disposal of PPE

Where an item of PPE is disposed of, the gain or loss recognised in the Statement of Financial Performance is calculated as the difference between the net sales price and the carrying amount of the asset.

Leased assets

Leases where ADHB assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

Operating lease payments are recorded as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of PPE when that cost is incurred if it is probable that the future economic benefit embodied within the item will flow to ADHB. All other costs are recognised in the Statement of Financial Performance as an expense as incurred.

Depreciation is charged to the Statement of Financial Performance using the straight line method. Land is not depreciated. Depreciation is set at rates that write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

Asset Class	2009	2008
Freehold Buildings and fitouts	1-89 years	1-89 years
Plant, equipment and vehicles	2-20 years	2-20 years
Leased assets	4-8 years	4-8 years

The residual value, useful life and depreciation method of assets is reassessed annually.

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

SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets

Computer software not an integral part of the related hardware is treated as an intangible asset. Such intangible assets are acquired separately and are capitalised at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on computer software is capitalised only when it increases the service potential or future economic benefits embodied in the specific asset to which it relates.

Amortisation of computer software is charged to the Statement of Financial Performance on a straight line basis over its estimated useful life. The useful life of computer software is calculated over 7 years (2008 4 years) from the date that the software is available for use (refer Note 11b). Impairment losses are provided for on a continuing basis as required.

Interest-Bearing Loans and Borrowings

Interest-bearing capital borrowings are initially recognised at fair value net of transaction costs that are directly attributable to the issue. After initial recognition, capital borrowings are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Derivative financial instruments

ADHB uses foreign exchange and interest rate swap contracts to manage its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Such derivatives are accounted for as trading instruments, and are stated at fair value.

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

Trade and other receivables

Trade and other receivables are recognised and carried at amortised cost amount less impairment. An impairment is recognised when there is objective evidence of impairment. Impairment is calculated in accordance with the Board's credit management policy. Bad debts are written off during the period in which they are identified.

Inventories

All items are valued at the lower of cost, determined on a first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Standard costs are reviewed at least once a year and revised in the light of current conditions as required. A provision for slow moving or obsolete stock is made.

Inventories held for distribution

Inventories held for distribution are stated at the lower of cost and current replacement cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and call deposits with an original maturity of less than 3 months. Bank overdrafts that are repayable on demand and form an integral part of ADHB's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Properties held for sale

Properties held for sale are measured at the lower of carrying amount or fair value less costs to sell.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

The carrying amounts of ADHB's assets are reviewed at balance date to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amounts are estimated. If the estimated recoverable amount of an asset is less than its carrying value, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Financial Performance.

Calculation of recoverable amount

The estimated recoverable amount of assets, other than Trade Debtors above, is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects market assessments of the time value of money and the risks specific to the asset. For non-cash generating assets that are not part of a cash generating unit, eg land and buildings, value in use is based on depreciated replacement cost.

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

Reversals of impairment

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

An impairment loss on items of PPE carried at revalued amounts is reversed through the relevant reserve to the extent that the impairment loss was previously recognised directly against any revaluation surplus. All other impairment losses are reversed through the Statement of Financial Performance.

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

Financial instruments

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

A financial instrument is recognised if ADHB becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if ADHB's contractual rights to the cash flows from the financial asset expire or if ADHB transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date ie, the date that ADHB commits itself to purchase or sell the asset. Financial liabilities are de-recognised if ADHB's obligations specified in the contract expire or are discharged and cancelled.

Restricted trust funds are initially recognised at cost, being the fair value of the consideration given. After initial recognition, these investments are classified at fair value through Statement of Financial Performance and are measured at fair value.

Gains or losses on restricted trust funds are recognised in the Statement of Financial Performance.

Employee benefits

Defined Contribution Plan (DCP)

Obligations for contributions to DCPs are recognised as an expense in the Statement of Financial Performance as incurred. ADHB makes contributions on behalf of staff to the National Provident Fund which are recognised in the Statement of Financial Performance as incurred - see disclosure note 13d.

Retiring Gratuities and Long Service Leave

ADHB's net obligation in respect of Retiring Gratuities and Long Service Leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods calculated on an actuarial basis.

1 **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Annual Leave, Sick Leave, Continuing Medical Education Leave and Expenses

Annual Leave is a short-term obligation and is calculated on an actual basis at the amount ADHB expects to pay when staff take leave or resign.

Sick leave is a short-term obligation which represents the estimated future cost of sick leave attributable to the entitlement not used at balance date calculated as the amount expected to be paid.

Continuing medical education leave and expenses are calculated based on a discounted valuation of the estimated 3 years non-vesting entitlement under the current collective agreement with Senior Medical Officers based on current leave patterns.

Provisions

A provision is recognised when ADHB has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. If the time-value of money is material the obligation is discounted to its present value, at a rate that reflects the current market assessment of the time value of money and the risks specific to the liability.

Restructuring

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

Revenue

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

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

ADHB is required to recognise and expend all monies appropriated within certain contracts, eg the mental health ring-fence on mental health services, during the year in which it was appropriated. Should this not be done, ADHB may be required to repay the money or, with the agreement of the funder, to expend it on health services in subsequent years. Such revenue is included in Payables and Accruals in the Statement of Financial Position until the time this obligation is discharged.

Trust and special fund donations received are treated as revenue on receipt, in the Statement of Financial Performance. These funds are administered by the Auckland District Health Board Charitable Trust. Trust and special funds from third party trusts are recognised as revenue only when actually receipted.

Interest income is recognised using the effective interest method.

Lease Expenses

Payments made under operating leases are recognised in the Statement of Financial Performance on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Financial Performance over the lease term as an integral part of the total lease expense.

Leases where ADHB assumes substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

Income Tax

ADHB is a Crown Entity under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under section CB3 of the Income Tax Act 1994.

Goods and Services Tax (GST)

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

New standards and interpretations issued not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published that are not yet effective for the year ended 30 June 2009, and have not been applied in preparing these Consolidated Financial Statements, as follows:

- NZ IAS 1, Presentation of Financial Statements (revised) – effective from annual periods beginning on or after 1 January 2009. Changes in this area are in relation to presentation only and will not have a direct impact on the measurement and recognition of amounts under the current NZ IAS 1. It is proposed to adopt the revisions from the effective date.
- NZ IAS 23, Borrowing costs (revised) – this has been deferred indefinitely for Public Benefit Entities.
- NZ IAS 27, Consolidated and Separate Financial Statements (amended 2008) (revised) – (effective from annual periods beginning on or after 1 July 2009). The impact of this change is not known.
- NZ IFRS 3, Business Combinations (amended 2008) – (effective from annual periods beginning on or after 1 July 2009). The impact of this change is not known.

Cost of Service (Statement of Service Performance)

The Cost of Service Statements, as reported in the Statement of Service Performance, report the net cost of services for the outputs of ADHB and are represented by the cost of providing the output less all of the revenue that can be allocated to these activities.

Cost Allocation

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

Cost Allocation Policy

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

Criteria for Direct and Indirect Costs

Direct costs are those costs directly attributable to an output class. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output class.

Cost Drivers for Allocation of Indirect Costs

The cost of internal services not directly charged to outputs is held in central overhead pools, for example, the cost of building accommodation. The exceptions to this are ring-fenced services Mental Health and Public Health where an allocation of overheads is made, and some services that sell to third parties, for example LabPlus.

	Notes	Group Actual 2009 $000	Group Actual 2008 $000	Parent Actual 2009 $000	Parent Actual 2008 $000
2 REVENUE					
Patient care revenue		1,538,827	1,444,412	1,538,827	1,444,412
Interest received – other		9,596	9,192	9,596	9,192
Interest received – Charitable Trust		1,455	1,419	0	0
Donations and bequests		7,563	6,373	0	0
Gain on disposal of assets		84	0	84	0
Gain on derivatives – financial instruments		6,455	2,034	6,455	2,034
Other revenue		74,253	66,848	74,253	66,848
Total Revenue		1,638,233	1,530,278	1,629,215	1,522,486
3 EXPENSES					
a *Employee benefit costs*					
Wages and salaries		676,140	609,504	672,849	606,405
Contributions to defined contribution plans	(i)	9,361	8,588	9,361	8,588
Increase/(decrease) in liability for employee benefit		1,470	21,924	1,470	21,924
Total employee benefit costs		686,971	640,016	683,680	636,917
b *Indirect treatment costs*					
Bad debts written off		3,519	3,829	3,519	3,829
Increase (decrease) in estimated doubtful debts		(533)	544	(533)	544
Other indirect treatment costs		33,933	30,095	33,933	26,577
Total indirect treatment costs		36,919	34,468	36,919	30,950
c *Property, equipment & transportation cost*					
Rental and operating lease costs		5,456	6,310	5,456	6,310
Other property, equipment & transportation cost		43,796	43,584	43,796	43,584
Total property, equipment & transportation cost		49,252	49,894	49,252	49,894
d *Other operating expenses*					
Remuneration of auditor					
- audit fees: statutory accounts		260	248	260	248
Board Members' fees		447	367	447	367
Loss on disposal of assets		423	109	423	109
Research costs		6,239	6,550	6,239	6,550
Other expenses		14,859	13,140	11,605	13,140
Total other operating expenses		22,228	20,414	18,974	20,414
e Capital charge (note 15)		39,678	38,405	39,678	38,405
Depreciation and amortisation expenses					
Depreciation		43,840	44,380	43,840	44,380
Impairment loss/(gain) – software (note 11b)		(1,030)	271	(1,030)	271
Total depreciation and amortisation expenses		42,810	44,651	42,810	44,651

3 EXPENSES (continued)

	Group Actual		Parent Actual	
	2009 $000	2008 $000	2009 $000	2008 $000
f *Finance costs*				
Interest expense	20,881	22,041	20,881	22,041
Foreign currency loss/(gain)	23	(23)	23	(23)
Total finance costs	20,904	22,018	20,904	22,018

Note

3a(i) ADHB makes contributions to the National Provident Fund on behalf of some of its employees and is permitted under NZ IAS 19 (30) to use defined contribution reporting in relation to these (see note 13d).

4 TAXATION

ADHB is a Crown Equity 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.

5 INVESTMENTS IN JOINT VENTURE & ASSOCIATES

Results of joint venture & associates				
Share of post acquisition surplus	20	34	0	0
Share of net surpluses of joint venture & associates	20	34	0	0
Carrying amount at the beginning of the year	366	332	1	1
Carrying amount at end of year	386	366	1	1
Represented by:				
Shares in joint venture & associates (unlisted at cost)	1	1	1	1
Share of post-acquisition retained surpluses	385	365	0	0
	386	366	1	1

	2009 % Interest held	2008 % Interest held
Name of joint venture (Principal activity)		
Treaty Relationship Company Limited (joint venture for health initiatives with local iwi)	50	50
Name of associates (Principal activity)		
Auckland Regional RMO Services Limited (co-ordinates trainee medical personnel)	33	33
Northern DHB Support Agency Limited (management of a number of regional contracts on behalf of the Auckland region DHBs.)	33	33

All the above related parties have balance dates of 30 June.

ADHB does not have a share in any contingent liabilities or capital commitments of these related parties.

		Group Actual		Parent Actual	
		As at 30/06/09	As at 30/06/08	As at 30/06/09	As at 30/06/08
6	**CAPITAL AND RESERVES**	**$000**	**$000**	**$000**	**$000**
a	***Public equity***				
	Opening balance	601,089	600,983	601,089	600,983
	Contributions from/(repayment to) the Crown	(35,000)	106	(35,000)	106
	Balance at end of year	566,089	601,089	566,089	601,089
b	***Accumulated deficits***				
	Opening balance	(479,621)	(481,660)	(479,988)	(481,992)
	Operating surplus/(deficit)	326	2,393	(1,570)	2,004
	Transfer to trust/special funds	(1,874)	(354)	0	0
	Balance at end of year	(481,169)	(479,621)	(481,558)	(479,988)
c	***Other Reserves***				
	Revaluation Reserve				
	Opening balances	417,016	290,076	417,016	290,076
	Net Movement	(35,739)	126,940	(35,739)	126,940
	Balance at end of year	381,277	417,016	381,277	417,016
d	***Trust/special funds***				
	Opening balances	10,647	10,293	0	0
	Transfer from accumulated deficits (Note 6b)	1,874	354	0	0
	Balance at end of year	12,521	10,647	0	0

Other reserves

Revaluation reserve

The revaluation reserve relates to the independent valuation by Telfer Young (Auckland Ltd) of land and buildings at 30 June 2009 of $806.5m - see note 11.

Trust / special funds

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

All trust funds are held in bank accounts that are separate from ADHB's normal banking facilities.

Trust/special funds	**2009 Actual $000**	**2008 Actual $000**
Balance at beginning of year	10,647	10,293
Transfer from retained earnings in respect of:		
Interest received	1,455	1,420
Donations and funds received	7,562	6,371
Transfer to retained earnings in respect of:		
Funds spent	(7,143)	(7,437)
Balance at end of year	12,521	10,647

		Group Actual		Parent Actual	
		As at 30/06/09	As at 30/06/08	As at 30/06/09	As at 30/06/08
7	**CASH AND CASH EQUIVALENTS**	$000	$000	$000	$000
	Current assets				
	Bank balance	1,726	831	1,726	831
	Short term deposits	60,212	80,000	60,212	80,000
	Cash & cash equivalents	61,938	80,831	61,938	80,831
	Bank overdrafts	(26,650)	(1,650)	(26,650)	(1,650)
	Cash & cash equivalents in the statement of cash flows	35,288	79,181	35,288	79,181
	Banking facility limit				
	Revolving cash facility:				
	CBA	65,000	65,000	65,000	65,000

Working capital facility

ADHB has a working capital facility supplied by Commonwealth Bank of Australia, New Zealand (CBA), which was established in February 2004. The facility consists of a bank overdraft and revolving bank multi-option credit facility. The facility was used at 30 June 2009. Unused portion of the facility at 30 June 2009 was $38.35m (2008 $63.35m).

The CBA working capital facility is secured by a negative pledge. ADHB cannot perform the following actions:

- create any security over its assets except in certain circumstances,
- lend money to another person or entity (except in the ordinary course of business and then only on commercial terms) or give a guarantee,
- make a substantial change in the nature or scope of its business as presently conducted or undertake any business or activity unrelated to health, and
- dispose of any of its assets except disposals at full value in the ordinary course of business.

ADHB must also meet a cash flow cover covenant, under which the Net Cash Flow excluding any Required Equity must be greater than zero. At all times since the facility was established the covenant has been met. The CBA facility has a limit of $65m.

RECONCILIATION OF REPORTED OPERATING SURPLUS/(DEFICIT) AFTER TAXATION WITH NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

	Notes	Group Actual		Parent Actual	
		2009	2008	2009	2008
		$000	$000	$000	$000
Reported net surplus/(deficit) for the year	6	326	2,393	(1,570)	2,004
Add non-cash items:					
Depreciation and impairment loss		42,810	44,651	42,810	44,651
Joint venture & associates	5	(20)	(34)	0	0
(Increase)/Decrease in derivative financial instruments		(5,228)	(2,128)	(5,228)	(2,128)
Add items classified as investing activities:					
Net loss/(gain) on disposal of fixed assets		339	108	339	108
Add movements in working capital items:					
(Increase)/Decrease in receivables		16,905	42,433	15,331	42,494
(Increase)/Decrease in inventories		(954)	(356)	(954)	(356)
Increase/(Decrease) in payables		(9,323)	40,927	(6,861)	39,537
Increase/(Decrease) in funds held in trust		55	73	55	73
Net cash inflow/(outflow) from operating activities		44,910	128,067	43,922	126,383

		Group Actual		Parent Actual	
		As at 30/06/09	As at 30/06/08	As at 30/06/09	As at 30/06/08
8a	**TRUST/SPECIAL FUNDS**				
	Current assets				
	Bank balances (restricted)	115	251	0	0
	Short term deposits (restricted)	10,627	12,654	0	0
		10,742	12,905	0	0
	Non – current assets				
	Long term deposits (restricted)	8,000	4,850	0	0
		18,742	17,755	0	0

The above assets are trust funds and are held by the ADHB Charitable Trust, comprising donated and research funds.

8b	**PATIENT AND RESTRICTED TRUST FUNDS**				
	Current assets				
	Patient trust	11	8	11	8
	Restricted fund deposit	1,026	975	1,026	975
		1,037	983	1,037	983
	Current liabilities				
	Patient trust	11	8	11	8
	Restricted fund deposit	1,026	975	1,026	975
		1,037	983	1,037	983

Patient trust

ADHB administers certain funds on behalf of patients. These funds are held in separate bank accounts and interest earned is allocated to the individual patients.

Restricted fund deposit

This interest earning fund was from sale proceeds on an endowment property, to be used in conjunction with ADHB Treaty partner, Ngati Whatua.

9	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables due from non-related parties	23,374	12,058	22,829	11,406
	Trade receivables due from Ministry of Health	1,675	45,708	1,675	45,708
	Trade receivables due from related parties (note 17)	132	219	132	219
	Provision for doubtful debts	(2,064)	(8,465)	(2,064)	(8,465)
		23,117	49,520	22,572	48,868
	Accrued income Ministry of Health	22,839	15,609	22,839	15,609
	Accrued income	15,140	10,920	13,932	10,014
	Prepayments	2,320	2,503	2,320	2,503
		63,416	78,552	61,663	76,994

10 INVENTORIES

	Group Actual		Parent Actual	
	As at 30/06/09	As at 30/06/08	As at 30/06/09	As at 30/06/08
Pharmaceuticals	951	759	951	759
Surgical and medical supplies	10,735	9,972	10,735	9,972
Other supplies	31	32	31	32
	11,717	10,763	11,717	10,763

The amount of inventories recognised as an expense during the year ended 30 June 2009 was $72,017k (2008 $79,533k).

The carrying amount of inventories held for distribution carried at current replacement cost at 30 June 2009 was $11,717k (2008 $10,763k). Write-down/(up) of inventories amounted to ($248k) for 2009 (2008 ($602k)).

11a PROPERTY, PLANT and EQUIPMENT

GROUP & PARENT	Freehold land (at valuation)	Freehold buildings & fitouts (at valuation)	Plant, equipment and vehicles	Leased assets	Work in progress	Total
	$000	$000	$000	$000	$000	$000
Cost						
Balance at 1 July 2007	198,706	572,926	222,470	4,012	4,530	1,002,644
Additions	0	6,370	22,966	594	0	29,930
Disposals	0	0	(8,202)	(143)	(747)	(9,092)
Transfer to current assets held for sale	0	(22)	0	0	0	(22)
Revaluations	47,108	26,970	0	0	0	74,078
Balance at 30 June 2008	**245,814**	**606,244**	**237,234**	**4,463**	**3,783**	**1,097,538**
Balance at 1 July 2008	245,814	606,244	237,234	4,463	3,783	1,097,538
Additions	0	6,151	27,587	17	4,501	38,256
Disposals	0	0	(6,720)	0	0	(6,720)
Transfer from current assets held for sale	69	333	0	0	0	402
Reclassifications	0	0	(128)	0	0	(128)
Revaluations	(44,546)	(7,547)	0	0	0	(52,093)
Balance at 30 June 2009	**201,337**	**605,181**	**257,973**	**4,480**	**8,284**	**1,077,255**
Depreciation and impairment losses						
Balance at 1 July 2007	0	(35,059)	(150,168)	(2,950)	0	(188,177)
Depreciation charge for the year	0	(17,760)	(22,541)	(274)	0	(40,575)
Disposals	0	0	7,841	143	0	7,984
Revaluations	0	52,819	0	0	0	52,819
Balance at 30 June 2008	**0**	**0**	**(164,868)**	**(3,081)**	**0**	**(167,949)**
Depreciation and impairment losses						
Balance at 1 July 2008	0	0	(164,868)	(3,081)	0	(167,949)
Depreciation charge for the year	0	(19,155)	(24,167)	(23)	0	(43,345)
Disposals	0	0	6,661	0	0	6,661
Transfer from current assets held for sale	0	(301)	0	0	0	(301)
Reclassifications	0	3,104	(2,389)	(587)	0	128
Revaluations	0	16,352	0	0	0	16,352
Balance at 30 June 2009	**0**	**0**	**(184,763)**	**(3,691)**	**0**	**(188,454)**

11a PROPERTY, PLANT and EQUIPMENT (continued)

GROUP & PARENT	Freehold land (at valuation)	Freehold buildings & fitouts (at valuation)	Plant, equipment and vehicles	Leased assets	Work in progress	Total
	$000	$000	$000	$000	$000	$000
Carrying Amounts						
At 1 July 2007	198,706	537,867	72,302	1,062	4,530	814,467
At 30 June 2008	245,814	606,244	72,366	1,382	3,783	929,589
Carrying Amounts						
At 1 July 2008	245,814	606,244	72,366	1,382	3,783	929,589
At 30 June 2009	201,337	605,181	73,210	789	8,284	888,801

Valuation Information

Land, buildings and associated fitouts and services were independently valued on 30 June 2009 by Telfer Young (Auckland) Ltd (a firm registered with Valuers of New Zealand), at $806.5m (2008 $852m). This valuation includes land subject to restrictive covenants that previously the Board had not included.

Surplus land prior to disposal, is subject to due process with regard to the New Zealand Public Health and Disabilities Act 2000, including Ministerial approval, Public Works Act 1981, S.40, the mechanism for protection of Maori interests in Crown owned land, and any other interests registered on the title or under any other applicable legislation (e.g. Reserves Act 1977). It is held as property held for sale subject to meeting certain criteria.

PROPERTY, PLANT and EQUIPMENT (continued)

GROUP & PARENT

11b INTANGIBLE ASSETS	Total
Software & development costs	**$000**
Cost	
Balance at 1 July 2007	52,276
Additions	4,502
Disposals	0
Balance at 30 June 2008	**56,778**
Balance at 1 July 2008	56,778
Additions	3,303
Disposals	(365)
Balance at 30 June 2009	**59,716**
Amortisation & Impairment Losses	
Balance at 1 July 2007	(43,507)
Amortisation charge for the year	(3,805)
Impairment losses	(271)
Reversal of impairment losses	0
Disposals	0
Balance at 30 June 2008	**(47,583)**
Amortisation & Impairment Losses	
Balance at 1 July 2008	(47,583)
Amortisation charge for the year	(740)
Impairment losses	0
Reversal of impairment losses	1,030
Disposals	343
Balance at 30 June 2009	**(46,950)**
Carrying Amounts	
At 1 July 2007	8,769
At 30 June 2008	**9,195**
At 1 July 2008	9,195
At 30 June 2009	**12,766**

Change in Accounting Estimates

Following a review of computer software, the useful life was changed during the period from 4 to 7 years. The reduction in amortisation charges for the year from the change in useful lives is estimated as $3.5m which includes amounts relating to prior periods.

PROPERTY, PLANT and EQUIPMENT (continued)

11b INTANGIBLE ASSETS (continued)

Impairment Loss

The carrying amounts of all property, plant and equipment are reviewed on an ongoing basis. Any impairment in value is recognised immediately. A review of computer software resulted in a net impairment gain $1,030k (2008 $271k loss).

11c PROPERTY HELD FOR SALE

This property is the net book value of land, freehold buildings & fitouts on Greenlane Road that the Board had budgeted to sell during 2006 financial year. Due to the improved financial performance from its operations the Board decided not to sell this property.

12 CONTINGENT ASSETS

ADHB benefits from grants from the Greenlane Research and Educational Fund Trust (GREFT). This fund was set up for the purpose of administering funds to further the services in the cardiothoracic surgical and cardiology units at Greenlane Hospital. The assets of the fund have not been consolidated in the financial statements because ADHB does not exercise control over the GREFT in terms of NZ IAS 27 "Consolidated and separate financial statements". Furthermore ADHB is unable to control the timing and amount of any distribution of funds, consequently it is not possible to estimate the future economic benefit to ADHB.

ADHB has commenced proceedings against an Auckland GP, claiming overpayments assessed at $1.4m have been made. These civil proceedings can not be set down for a hearing until after the related criminal case, probably late 2009. Under NZ IAS 37 paragraph 31-35, there is a requirement for virtual certainty of the economic inflow for an asset to be recognised. As there has been no judicial consideration of either the quantum or the legal substance of ADHB's claims, that is not the case with these proceedings.

	Group Actual		Parent Actual	
	As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000
13a TRADE AND OTHER PAYABLES				
Current				
Trade payables to non related parties	29,013	31,403	28,470	30,792
Trade payables due to related parties (note 17)	543	474	543	474
ACC levy payable	4,479	3,974	4,479	3,974
Income in advance	17,648	23,826	11,532	17,814
ACC Partnership programme liability	1,507	1,268	1,507	1,268
Capital charge due to Crown	10,991	19,984	10,991	19,984
GST,PAYE & FBT payable	17,209	18,770	17,329	18,949
Other payables and accruals	51,737	43,073	50,306	40,853
	133,127	142,772	125,157	134,108
13b EMPLOYEE BENEFITS				
Current				
Liability for long service leave	1,994	2,035	1,994	2,035
Liability for sabbatical leave	300	500	300	500
Liability for retirement gratuities	3,792	2,938	3,792	2,938
Liability for annual leave	64,965	58,108	64,965	58,108
Liability for sick leave	462	450	462	450
Liability for continuing medical leave and expenses	15,789	15,158	15,789	15,158
Salaries and wage accrual	30,706	36,959	30,706	36,959
	118,008	116,148	118,008	116,148
Non Current				
Liability for long service leave	851	834	851	834
Liability for retirement gratuities	19,822	20,229	19,822	20,229
	20,673	21,063	20,673	21,063
13c PROVISIONS				
Litigation Provision				
Opening balance	3	150	3	150
Additional provisions made during year	4	3	4	3
Charged against provision for the year	(3)	0	(3)	0
Unused amounts reversed during year	0	(150)	0	(150)
Closing balance	4	3	4	3
Restructuring Provision				
Opening balance	96	200	96	200
Additional provisions made during year	0	96	0	96
Charged against provision for the year	(96)	(200)	(96)	(200)
Unused amounts reversed during year	0	0	0	0
Closing balance	0	96	0	96
Total provisions	4	99	4	99

13c PROVISIONS (continued)

Notes

Litigation

The provision relates to unpaid legal fees at year-end.

13d Defined Contribution Plan (DCP)

The DCP (with National provident Fund) is a multi-employer defined benefit scheme. At 30 June 2009 ADHB contributions to the fund were fully paid - see Note 3a for details.

The DCP is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which any surplus or deficit will affect future contributions by employers, as there is no prescribed basis for allocation. If any of the other participating employers ceased to participate in the scheme, ADHB could be responsible for financing a share of any shortfall in the fund in meeting its obligations.

As at 31 March 2008, the scheme had a past service surplus of $28.3m (9.9% of the liabilities). This amount is exclusive of Specified Superannuation Contribution Withholding Tax (SSCWT). This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The Actuary to the scheme has recommended the employer contribution continues at 1.0 times contributors' contributions. The 1.0 is inclusive of SSCWT.

	Group Actual		Parent Actual	
	As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000
14 INTEREST-BEARING LOANS AND BORROWINGS				
Current				
Secured loans				
Crown Health Financing Agency	13,500	10,500	13,500	10,500
Interest on Borrowings	4,872	5,084	4,872	5,084
	18,372	15,584	18,372	15,584
Non-current				
Secured loans				
Crown Health Financing Agency	150,000	163,500	150,000	163,500
15 year Capital Bonds, maturing 15 September 2015	50,000	50,000	50,000	50,000
10 year Capital Bonds, maturing 15 September 2010	70,000	70,000	70,000	70,000
Unexpired set up cost on borrowings	(832)	(1,070)	(832)	(1,070)
	269,168	282,430	269,168	282,430

14 INTEREST-BEARING LOANS AND BORROWINGS (continued)

	Note	Group Actual		Parent Actual	
		As at 30/06/09	As at 30/06/08	As at 30/06/09	As at 30/06/08
		$000	$000	$000	$000
Secured loans					
The details of terms and conditions are as follows:					
Borrowings are repayable:					
Less than one year		18,372	15,584	18,372	15,584
One to two years		69,168	13,500	69,168	13,500
Two to five years		80,000	148,930	80,000	148,930
Over five years		120,000	120,000	120,000	120,000
		287,540	298,014	287,540	298,014

The Crown Health Financing Agency has undertaken to provide funding when the bonds mature. They will also refinance their advances when they are due. ADHB has undertaken to repay $10.5m of advances per annum.

Interest rate summary	% pa	% pa	% pa	% pa
Crown Health Financing Agency	6.095-6.90	6.095 to7.03	6.095-6.90	6.095 to 7.03
Capital Bonds	7.75	7.75	7.75	7.75
Borrowing facilities				
Crown Health Financing Agency	163,500	174,000	163,500	174,000
Capital Bonds	120,000	120,000	120,000	120,000
Working capital CBA	65,000	65,000	65,000	65,000

Crown Health Financing Agency

The loan facility is provided by the Crown Health Financing Agency, which is part of the Ministry of Health.

Capital bonds

In September 2000, ADHB issued $120m of "credit-wrapped" bonds to the private sector. The subscribers to this issue were institutional investors. The bonds were issued with a coupon rate of 7.75%.

Working capital facility

ADHB has a working capital facility supplied by Commonwealth Bank of Australia, New Zealand (CBA), which was established in February 2004. The facility consists of a bank overdraft and revolving bank multi-option credit facility. Unused portion of the facility at 30 June 2009 was $38.35m (2008 $63.35m).

14 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Security and terms

ADHB borrows funds based on covenants in a Negative Pledge Deed. This includes the covenant that security cannot be given over assets of ADHB without prior written consent of the Crown. Financial assets are part of Total Tangible Assets defined in the Negative Pledge Deed that secures funding from the three borrowing facilities.

ADHB cannot perform the following actions:

- create any security over its assets except in certain circumstances,
- lend money to another person or entity (except in the ordinary course of business and then only on commercial terms), or give a guarantee,
- make a substantial change in the nature or scope of its business as presently conducted or undertake any business or activity unrelated to health; and
- dispose of any of its assets except disposals at full value in the ordinary course of business.

ADHB must also meet the following covenants:

- debt to debt plus equity: interest bearing debt is less than 65 per cent of the total of interest bearing debt plus equity.
- a cash flow cover covenant, under which the annual cash flow must be greater than zero.

The covenants have been complied with at all times since the facility was established. The Government of New Zealand does not guarantee any borrowings.

15 CAPITAL CHARGE

	Group Actual		Parent Actual	
	As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000
	39,678	38,405	39,678	38,405

All DHBs are required to pay a capital charge to the Crown based on their shareholder funds. The charge is set at 8 percent for fiscal year 2009 (8 percent for fiscal year 2008) on shareholder funds based on the monthly closing balance. ADHB has not paid a capital charge on donations received into the ADHB Charitable Trust.

16 COMMITMENTS

GROUP AND PARENT	As at 30/06/09 $000	As at 30/06/08 $000
a *Capital commitments*		
Approved and contracted	10,241	10,595
Approved and to be contracted	10,954	10,457
	21,195	21,052
Term classification of commitments		
Less than one year	21,195	21,052
One to two years	0	0
Two to five years	0	0
Over five years	0	0
	21,195	21,052

b *Operating commitments*		
Leases	5,775	6,519
Other Lease Term June 2015	492,901	65,242
	498,676	72,422

	Leases		Other		Total	
GROUP AND PARENT	As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000
Term classification of operating commitments						
Less than one year	2,328	2,621	107,936	59,673	110,264	62,294
One to two years	1,587	1,816	78,374	4,831	79,961	6,647
Two to five years	1,548	2,185	300,072	738	301,620	2,923
Over five years	312	558	6,519	0	6,831	558
	5,775	7,180	492,901	65,242	498,676	72,422

17 TRANSACTIONS WITH RELATED PARTIES

a Subsidiary

ADHB has 100% beneficial interest in Auckland District Health Board Charitable Trust. The ADHB Charitable Trust has a balance date of 30 June and was incorporated under the Charitable Trusts Act 1957. Details of transactions with the ADHB Charitable Trust are disclosed in note 6 under Trust/special funds.

PARENT	2009 Actual $000	2008 Actual $000
Sales to ADHB Charitable Trust	7,394	6,128
Purchases from ADHB Charitable Trust	119	286
Outstanding balance receivable from ADHB Charitable Trust	486	546
Outstanding balance payable to ADHB Charitable Trust	0	0

b Joint venture & associates

ADHB has a related party relationship with its joint venture & associates and with its executive officers.

Joint venture and associates identified in note 5 are related parties. The transactions with related parties during the year were as follows:

	Notes	Group Actual		Parent Actual	
		As at 30/06/09 $000	As at 30/06/08 $000	As at 30/06/09 $000	As at 30/06/08 $000
GROUP AND PARENT					
Sales to related parties					
Treaty Relationship Company Limited (joint venture)		0	0	0	0
Auckland Regional RMO Services Limited (associate)		323	229	323	229
Northern DHB Support Agency Limited (associate)		804	470	804	470
		1,127	699	1,127	699
Purchases from related parties					
Treaty Relationship Company Limited (joint venture)		0	0		0
Auckland Regional RMO Services Limited (associate)		3,345	4,011	3,345	4,011
Northern DHB Support Agency Limited (associate)		3,345	2,071	3,345	2,071
		6,690	6,082	6,690	6,082
Outstanding balances receivable from related parties					
Treaty Relationship Company Limited (joint venture)		0	0	0	0
Auckland Regional RMO Services Limited (associate)		22	10	22	10
Northern DHB Support Agency Limited (associate)		110	209	110	209
	9	132	219	132	219
Outstanding balances payable to related parties					
Treaty Relationship Company Limited (joint venture)		0	0	0	0
Auckland Regional RMO Services Limited (associate)		0	0	0	0
Northern DHB Support Agency Limited (associate)		543	474	543	474
	13a	543	474	543	474

These transactions were made on commercial terms and conditions, and at market rates. No related party debts have been written off or forgiven during the year. No trading transactions were made with Treaty Relationship Company Ltd during 2009 and 2008

17 TRANSACTIONS WITH RELATED PARTIES (continued)

c Compensations

The key management personnel compensations are as follows:

GROUP & PARENT	2009 Actual $000	2008 Actual $000
Short - term employee benefits	217	378
Long - term employee benefits	34	44
	251	422

18 FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments and derivatives, which potentially subject the Health Board to concentrations of risk, consist principally of cash, short-term deposits and accounts receivable.

The Board places its cash and short-term deposits with high-quality financial institutions and has a policy that limits the amount of credit exposure to any one financial institution.

Concentrations of credit risk from accounts receivable are limited due to the large number and variety of customers. The Ministry of Health is the largest single debtor (2009-38 %,2008-78%). It is assessed to be a low risk and high-quality entity due to its nature as the Government funded purchaser of health and disability support services.

The status of trade receivables at the reporting date is as follows:

GROUP

Trade receivables	Gross Receivable 2009 $000	Impairment 2009 $000	Gross Receivable 2008 $000	Impairment 2008 $000
Not past due	14,596	(46)	51,617	(4,316)
Past due 0-30 days	5,342	(309)	2,333	(1,815)
Past due 31-120 days	2,257	(831)	2,560	(1,366)
Past due 121-360 days	2,944	(836)	1,245	(945)
Past due more than 1 year	42	(42)	230	(23)
Total	25,181	(2,064)	57,985	(8,465)

PARENT

Trade receivables	Gross Receivable 2009 $000	Impairment 2009 $000	Gross Receivable 2008 $000	Impairment 2008 $000
Not past due	14,260	(46)	51,083	(4,316)
Past due 0-30 days	5,161	(309)	2,215	(1,815)
Past due 31-120 days	2,240	(831)	2,560	(1,366)
Past due 121-360 days	2,933	(836)	1,245	(945)
Past due more than 1 year	42	(42)	230	(23)
Total	24,636	(2,064)	57,333	(8,465)

18 FINANCIAL INSTRUMENTS (continued)

In summary, trade receivables are determined to be impaired as follows:

Trade receivables	GROUP 2009 Actual $000	GROUP 2008 Actual $000	PARENT 2009 Actual $000	PARENT 2008 Actual $000
Gross trade receivables	25,181	57,985	24,636	57,333
Individual impairment	(2,064)	(4,743)	(2,064)	(4,743)
Collective impairment	0	(3,722)	0	(3,722)
Net total trade receivables	23,117	49,520	22,572	48,868

Movement in the provision for impairment loss	GROUP 2009 Actual $000	GROUP 2008 Actual $000	PARENT 2009 Actual $000	PARENT 2008 Actual $000
Opening balance	8,465	9,972	8,465	9,972
Increase/(decrease) in doubtful debts	(6,401)	(1,507)	(6,401)	(1,507)
Closing balance	2,064	8,465	2,064	8,465

At the balance date there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position.

18 FINANCIAL INSTRUMENTS (continued)

Liquidity

Liquidity risk represents ADHB's ability to meet its contractual obligations. ADHB evaluates its liquidity requirements on an ongoing basis. In general, ADHB generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Liquidity risk

The following table sets out the contractual cash flows for all financial liabilities and for derivatives that are settled on a gross cash flow basis.

GROUP

2009	Balance Sheet $000	Contractual Cash Flow $000	6 Months or less $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	More than 5 years $000
Interest-bearing loans and borrowings	287,540	362,251	9,882	23,340	86,069	112,849	130,111
Trade and other payables	133,127	133,127	133,127	0	0	0	0
Bank overdraft	26,650	26,650	26,650	0	0	0	0
Total	447,317	522,028	169,659	23,340	86,069	112,849	130,111
Forward exchange contracts							
Inflow	0	0	0	0	0	0	0
Outflow	0	0	0	0	0	0	0

2008	Balance Sheet $000	Contractual Cash Flow $000	6 Months or less $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	More than 5 years $000
Interest-bearing loans and borrowings	298,014	393,200	10,253	20,695	33,222	190,745	138,285
Trade and other payables	142,772	142,772	142,772	0	0	0	0
Bank overdraft	1,650	1,650	1,650	0	0	0	0
Total	442,436	537,622	154,675	20,695	33,222	190,745	138,285
Forward exchange contracts							
Inflow	94	0	0	0	0	0	0
Outflow	0	3,023	3,023	0	0	0	0

18 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

PARENT

2009	Balance Sheet $000	Contractual Cash Flow $000	6 Months or less $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	More than 5 years $000
Interest-bearing loans and borrowings	287,540	362,251	9,882	23,340	86,069	112,849	130,111
Trade and other payables	125,157	125,157	125,157	0	0	0	0
Bank overdraft	26,650	26,650	26,650	0	0	0	0
Total	439,347	514,058	161,689	23,340	86,069	112,849	130,111
Forward exchange contracts							
Inflow	0	0	0	0	0	0	0
Outflow	0	0	0	0	0	0	0

2008	Balance Sheet $000	Contractual Cash Flow $000	6 Months or less $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	More than 5 years $000
Interest-bearing loans and borrowings	298,014	393,200	10,253	20,695	33,222	190,745	138,285
Trade and other payables	134,108	134,108	134,108	0	0	0	0
Bank overdraft	1,650	1,650	1,650	0	0	0	0
Total	433,772	528,958	146,011	20,695	33,222	190,745	138,285
Forward exchange contracts							
Inflow	94	0	0	0	0	0	0
Outflow	0	3,023	3,023	0	0	0	0

18 FINANCIAL INSTRUMENTS (continued)

Interest rate risk and currency risk

Exposure to interest rate and currency risks arise in the normal course of ADHB's operations. Derivative financial instruments are used to manage exposure to fluctuations in foreign exchange rates and interest rates.

The Finance Committee, composed of Board members, provides oversight for risk management and derivative activities. This Committee determines the ADHB's financial risk policies and objectives, and provides guidelines for derivative instrument utilisation. This committee also establishes procedures for control and valuation, risk analysis, counterparty credit approval, and ongoing monitoring and reporting.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

ADHB adopts a policy of ensuring that between 40 and 60 per cent of its exposure to changes in interest rates on borrowings is on a fixed rate basis. Interest rate swaps, denominated in NZD, have been entered into to achieve an appropriate mix of fixed and floating rate exposure within ADHB's policy. The swaps mature over the next six years following the maturity of the related loans (see the following table) and have fixed swap rates ranging from 6.02 per cent to 7.75 per cent. At 30 June 2009, ADHB had interest rate swaps with a notional contract amount of $165m (2008 $165m).

The net fair value of swaps at 30 June 2009 was $6,954k (2008 $1,632k) comprising of assets only. These amounts were recognised as fair value derivatives.

Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

ADHB's policy is to identify, define, recognise and record foreign exchange risks by their respective types and then to manage each risk under predetermined and separately defined risk control limits.

The Group had not entered into any foreign exchange contract at balance date (2008: $US 2.365m).

18 FINANCIAL INSTRUMENTS (continued)

Classification and fair values

The classification and fair values together with the carrying amounts shown in the statement of financial position are as follows

GROUP 2009	Note	Held for Trading	Designated at Fair Value through Profit & Loss	Loans and Receivable	Available for Sale	Financial Liabilities at Amortised Cost	Carrying Amount 2009 Actual	Fair Value
		$000	$000	$000	$000	$000	$000	$000
Trade and other receivables	9	0	0	23,117	0	0	23,117	23,117
Cash and cash equivalents	7	0	0	61,938	0	0	61,938	61,938
Trust / Special Funds	8a	0	0	18,742	0	0	18,742	18,742
Patient and restricted trust funds	8b	0	0	1,037	0	0	1,037	1,037
Interest rate swaps:								
Assets	19	8,227	0	0	0	0	8,227	8,227
Liabilities	19	(1,273)	0	0	0	0	(1,273)	(1,273)
Forward exchange contracts:								
Assets	19	0	0	0	0	0	0	0
Liabilities		0	0	0	0	0	0	0
Secured bank loans	14	0	0	0	0	(287,540)	(287,540)	(298,551)
Trade and other payables	13a	0	0	0	0	(133,127)	(133,127)	(133,127)
Bank overdraft	7	0	0	0	0	(26,650)	(26,650)	(26,650)
		6,954	0	104,834	0	(447,317)	(335,529)	(346,540)
Unrecognised (gains)/losses								11,011

18 FINANCIAL INSTRUMENTS (continued)

Classification and fair values (continued)

GROUP 2008	Note	Held for Trading	Designated at Fair Value through Profit & Loss	Loans and Receivable	Available for Sale	Financial Liabilities at Amortised Cost	Carrying Amount 2007 Actual	Fair Value
		$000	$000	$000	$000	$000	$000	$000
Trade and other receivables	9	0	0	49,520	0	0	49,520	49,520
Cash and cash equivalents	7	0	0	80,831	0	0	80,831	80,831
Trust / Special Funds	8a	0	0	17,755	0	0	17,755	17,755
Patient and restricted trust funds	8b	0	0	983	0	0	983	983
Interest rate swaps:								
Assets	19	1,632	0	0	0	0	1,632	1,632
Liabilities	19	0	0	0	0	0	0	0
Forward exchange contracts:								
Assets	19	0	0	94	0	0	94	94
Liabilities	19	0	0	0	0	0	0	0
Secured bank loans	14	0	0	0	0	(298,014))	(298,014)	(294,481)
Trade and other payables	13a	0	0	0	0	(142,772)	(142,772)	(142,772)
Bank overdraft	7	0	0	0	0	(1,650)	(1,650)	(1,650)
		1,632	0	149,183	0	(442,436)	(291,621)	(288,088)
Unrecognised (gains)/losses								(3,533)

18 FINANCIAL INSTRUMENTS (continued)

Classification and fair values (continued)

PARENT 2009	Note	Held for Trading	Designated at Fair Value through Profit & Loss	Loans and Receivable	Available for Sale	Financial Liabilities at Amortised Cost	Carrying Amount 2008 Actual	Fair Value
		$000	$000	$000	$000	$000	$000	$000
Trade and other receivables	9	0	0	22,572	0	0	22,572	22,572
Cash and cash equivalents	7	0	0	61,938	0	0	61,938	61,938
Trust / Special Funds	8a	0	0	0	0	0	0	0
Patient and restricted trust funds	8b	0	0	1,037	0	0	1,037	1,037
Interest rate swaps:								
Assets	19	8,227	0	0	0	0	8,227	8,227
Liabilities	19	(1,273)	0	0	0	0	(1,273)	(1,273)
Forward exchange contracts:								
Assets	19	0	0	0	0	0	0	0
Liabilities	19	0	0	0	0	0	0	0
Secured bank loans	14	0	0	0	0	(287,540)	(287,540)	(298,551)
Trade and other payables	13a	0	0	0	0	(125,157)	(125,157)	(125,157)
Bank overdraft	7	0	0	0	0	(26,650)	(26,650)	(26,650)
		6,954	0	85,547	0	(439,347)	(346,846)	(357,857)
Unrecognised (gains)/losses								11,011

18 FINANCIAL INSTRUMENTS (continued)

Classification and fair values (continued)

PARENT 2008	Note	Held for Trading	Designated at Fair Value through Profit & Loss	Loans and Receivable	Available for Sale	Financial Liabilities at Amortised Cost	Carrying Amount 2007 Actual	Fair Value
		$000	$000	$000	$000	$000	$000	$000
Trade and other receivables	9	0	0	48,868	0	0	48,868	48,868
Cash and cash equivalents	7	0	0	80,831	0	0	80,831	80,831
Trust / Special Funds	8a	0	0	0	0	0	0	0
Patient and restricted trust funds	8b	0	0	983	0	0	983	983
Interest rate swaps:								
Assets	19	1,632	0	0	0	0	1,632	1,632
Liabilities	19	0	0	0	0	0	0	0
Forward exchange contracts:								
Assets	19	0	0	94	0	0	94	94
Liabilities	19	0	0	0	0	0	0	0
Secured bank loans	14	0	0	0	0	(298,014)	(298,014)	(294,481)
Trade and other payables	13a	0	0	0	0	(134,108)	(134,108)	(134,108)
Bank overdraft	7	0	0	0	0	(1,650)	(1,650)	(1,650)
		1,632	0	130,776	0	(433,772)	(301,364)	(297,831)
Unrecognised (gains)/losses								(3,533)

18 FINANCIAL INSTRUMENTS (continued)

Interest Rate Repricing Schedule

		PARENT				
		Maturity Periods				
	Weighted Average Interest Rate %	0 – 1 Years	1 – 2 Years	2 – 5 Years	More than 5 Years	Total
		$000	$000	$000	$000	$000
As at 30 June 2009						
Current & Non-Current Monetary Assets						
Cash and cash equivalents	4.00%	61,938	0	0	0	61,938
Patient and restricted trust funds	2.47%	1,037	0	0	0	1,037
Total Monetary Assets		62,975	0	0		62,975
Current & Non-Current Monetary Liabilities						
Bank overdraft	2.88%	26,650	0	0	0	26,650
Interest–bearing loans and borrowings						
Crown Health Financing Agency	6.37%	13,500	0	80,000	70,000	163,500
Bonds	7.75%	0	70,000	0	50,000	120,000
Interest on borrowings		4,872	0	0	0	4,872
Unexpired set up cost on borrowings		0	(832)	0	0	(832)
Total Monetary Liabilities		45,022	69,168	80,000	120,000	314,190
As at 30 June 2008						
Current & Non-Current Monetary Assets						
Cash and cash equivalents	8.76%	80,831	0	0	0	80,831
Patient and restricted trust funds	8.18%	983	0	0	0	983
Total Monetary Assets		81,814	0	0	0	81,814
Current & Non-Current Monetary Liabilities						
Bank overdraft	8.50%	1,650	0	0	0	1,650
Interest–bearing loans and borrowings						
Crown Health Financing Agency	6.41%	10,500	13,500	80,000	70,000	174,000
Bonds	7.75%	0	0	70,000	50,000	120,000
Interest on borrowings		5,084	0	0	0	5,084
Unexpired set up cost on borrowings		0	0	(1,070)	0	(1,070)
Total Monetary Liabilities		17,234	13,500	148,930	120,000	299,664

The Crown Health Financing Agency has undertaken to provide funding when the bonds mature. They will also refinance their advances when they are due. ADHB has undertaken to repay $10.5m of advances per annum.

18 FINANCIAL INSTRUMENTS (continued)

Capital management

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

ADHB's policy and objectives of managing the equity is to ensure that it achieves its goals and objectives, whilst maintaining a strong capital base. Capital is managed in accordance with the Board's Treasury policy and is regularly reviewed by the Board.

There have been no material changes in ADHB's management of capital during the period other than that arising from the repayment to the Crown during the period and revaluation of land and buildings as at 30 June 2009 as separately disclosed in this report.

Sensitivity Analysis

In managing interest rate and currency risks ADHB aims to reduce the impact of short-term fluctuations on ADHB's financial performance. Over the longer-term, permanent changes in foreign exchange rates and interest rates would have an impact on this performance.

At 30 June 2009, it is estimated that a general increase of 1% in interest rates would increase ADHB's financial performance by approximately $6.9m (2008 $9.0m). Interest rate swaps have been included in this calculation. It is estimated that a general increase of one percentage point in the value of the NZD against other foreign currencies would have decreased ADHB's financial performance (2009 Nil, 2008 $31k). Forward exchange contracts have been included in this calculation.

At 30 June 2009, it is estimated that a general decrease of 1% in interest rates would decrease ADHB's financial performance by approximately $7.2m (2008 $9.5m). Interest rate swaps have been included in this calculation. It is estimated that a general decrease of one percentage point in the value of the NZD against other foreign currencies would have increased ADHB's financial performance (2009 Nil, 2008 $31k). Forward exchange contracts have been included in this calculation.

19 DERIVATIVE FINANCIAL INSTRUMENTS

	Group Actual As at 30/06/09	Group Actual As at 30/06/08	Parent Actual As at 30/06/09	Parent Actual As at 30/06/08
Non – Current Assets				
Interest rate swaps in gain (mark to market)	8,227	1,632	8,227	1,632
Foreign currency contracts – gain	0	94	0	94
	8,227	1,726	8,227	1,726
Current Liabilities				
Interest rate swaps in loss (mark to market)	1,273	0	1,273	0
	1,273	0	1,273	0

20 MAJOR VARIATIONS FROM BUDGET

ADHB recorded a surplus of $0.3m which was $0.3m favourable to budget. Major favourable variances were patient care revenue $37m and depreciation $5m. Major unfavourable variances were employee costs $15m and direct treatment costs $25m.

18 FINANCIAL INSTRUMENTS (continued)

Estimation of fair values analysis

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Derivatives

Forward exchange contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current spot rate. For interest rate swaps, broker quotes are used. Those quotes are back tested using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance date. Where other pricing models are used, inputs are based on market related data at the balance date.

Interest-bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables / payables are discounted to determine the fair value.

Interest rates used for determining fair value

The entity uses the Government yield curve as of 30 June 2009 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

GROUP & PARENT	2009 Actual %	2008 Actual %
Derivatives	6.015 to 7.75	6.015 to 7.75
Loans and borrowings	6.095 to 7.75	6.095 to 7.75

18 FINANCIAL INSTRUMENTS
(continued)

Interest Rate Repricing Schedule

GROUP

	Weighted Average Interest Rate %	Maturity Periods 0 – 1 Years	1 – 2 Years	2 – 5 Years	More than 5 Years	Total
		$000	$000	$000	$000	$000
As at 30 June 2009						
Current & Non-Current Monetary Assets						
Cash and cash equivalents	4.00%	61,938	0	0	0	61,938
Restricted/special funds	6.52%	10,742	8,000	0	0	18,742
Patient and restricted trust funds	2.47%	1,037	0	0	0	1,037
Total Monetary Assets		73,717	8,000	0	0	81,717
Current & Non-Current Monetary Liabilities						
Bank overdraft	2.88%	26,650	0	0	0	26,650
Interest-bearing loans and borrowings						
Crown Health Financing Agency	6.37%	13,500	0	80,000	70,000	163,500
Bonds	7.75%	0	70,000	0	50,000	120,000
Interest on borrowings		4,872	0	0	0	4,872
Unexpired set up cost on borrowings		0	(832)	0	0	(832)
Total Monetary Liabilities		45,022	69,168	80,000	120,000	314,190
As at 30 June 2008						
Current & Non-Current Monetary Assets						
Cash and cash equivalents	8.76%	80,831	0	0	0	80,831
Restricted/special funds	8.74%	12,905	4,850	0	0	17,755
Patient and restricted trust funds	8.18%	983	0	0	0	983
Total Monetary Assets		94,719	4,850	0	0	99,569
Current & Non-Current Monetary Liabilities						
Bank overdraft	8.50%	1,650	0	0	0	1,650
Interest-bearing loans and borrowings						
Crown Health Financing Agency	6.41%	10,500	13,500	80,000	70,000	174,000
Bonds	7.75%	0	0	70,000	50,000	120,000
Interest on borrowings		5,084	0	0	0	5,084
Unexpired set up cost on borrowings		0	0	(1,070)	0	(1,070)
Total Monetary Liabilities		17,234	13,500	148,930	120,000	299,664

21 EVENTS SUBSEQUENT TO BALANCE DATE

No events have occurred subsequent to balance date that requires adjustment or disclosure in these financial statements.

22 KEY SOURCES OF ESTIMATED UNCERTAINTY

As indicated in Note 1, the preparation of financial statements in conformity with NZ IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

Accrual of continuing medical education leave and expenses in employee benefits

The provision for the above is $15.8m as at 30 June 2009 (2008 $15.2m). The calculation of this accrual assumes that the utilisation of this annual entitlement, that can be accumulated over 3 years, will be 57.5% of the full entitlement (2008 - 65%). A difference of 5% in the utilisation rate represents a financial effect of $1.2m on the accrual.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Debtors impairment

The Board has a credit management policy in place that regularly reviews debts and makes provision for impairment based on the risk assigned to each customer category.

Fair value of Property, Plant and Equipment (PPE)

The value of PPE, apart from land and buildings, is stated at cost less accumulated depreciation and impairment losses. The useful lives of assets is determined as outlined above. Buildings assets are specialised and have been valued based on optimised depreciated replacement cost. Land has been valued with regard to market values applying in the locality and to any special circumstances that may exist in respect of the land valued.

23 2009-12 STATEMENT OF INTENT

Auckland District Health Board and Group's 2009-12 Statement of Intent did not fully comply with the requirements of the Crown Entities Act 2004. Sections 142 (2) (b) and (c) of the Crown Entities Act 2004 require for each output class adopted, that the Statement of Intent:

- identify the expected revenue to be earned, and proposed expenses to be incurred, for each class of outputs;
  and
- comply with generally accepted accounting practice.

At the time the 2009-12 Statement of Intent was adopted, Auckland District Health Board and Group were unable to reliably identify the expected revenue and proposed expenses for each class of outputs. As a result, Auckland District Health Board and Group breached sections 142 (2) (b) and (c) of the Crown Entities Act 2004.

The breaches occurred because Auckland District Health Board and Group decided to adopt more relevant output classes, but they were not able to allocate the underlying budget information to the new output classes. The allocation process requires a substantial amount of work and there was insufficient time for it to be carried out between the time new output classes were adopted and the time the Statement of Intent was adopted.

23 2009-12 STATEMENT OF INTENT (continued)

The new output classes will enable Auckland District Health Board and Group to more meaningfully report service performance for the year ending 30 June 2010.

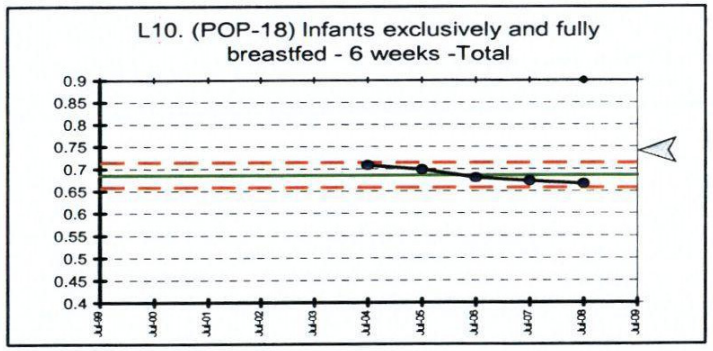
The Auckland District Health Board and Group are yet to identify the expected revenue to be earned and proposed expenses to be incurred for each output class.

The Auckland District Health Board plans to include expected revenue to be earned and proposed expenses to be incurred for each output class, in the next Statement of Intent.

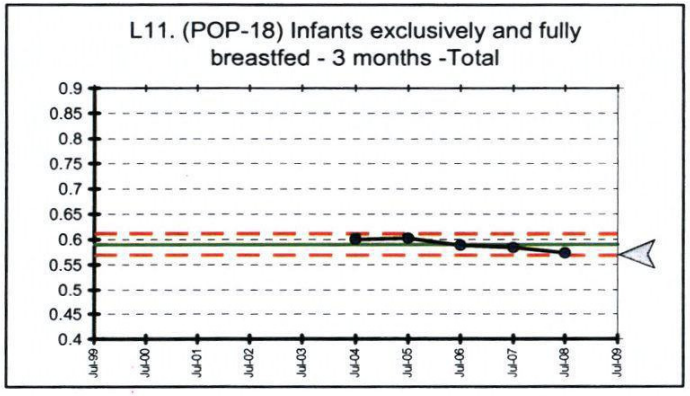
24 District Strategic Plan (DSP)

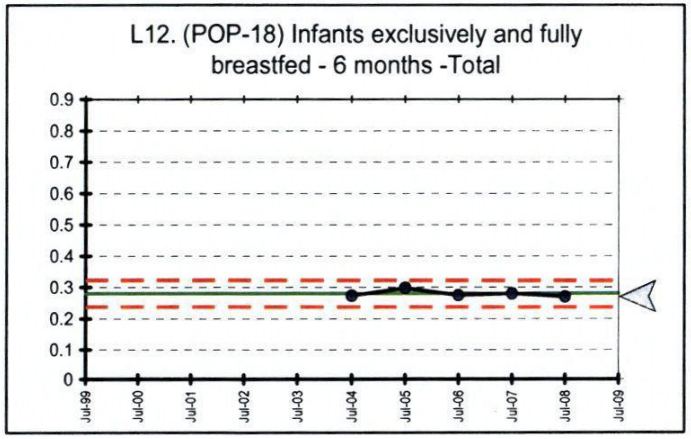
The DHB has not got the required Ministerial consent to its DSP [NZHDA s38(3)(c)].

The 2006 DSP, covering the period 2006 to 2010, was due to be reviewed in 2009. However, ADHB has been advised by Ministry of Health that the review process will not begin before September 2010.

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
5.1.1 Better outcomes in child health			
Work towards the national target of 95% of two-year-olds fully immunised	Maori 70% Pacific 77% Total 83%	68% achieved (NIR 7 July 2009) 76% achieved 75% achieved Work undertaken by the Ministry of Health on NIR Datamart Reporting Rules resulted in a significant coverage of approximately 5% increases across the board. A focus during the year was on increasing PHO engagement and ownership and there is evidence that this has begun to occur.	Not Achieved
Infants exclusively and fully breastfed (by Maori, Pacific, Other)	6 weeks 74% 3 months 57% 6 months 27% 6 weeks 74%	We have collected information and set targets for 2009/10. A community based breastfeeding service has been established employing Maori, Pacific, Asian and Middle Eastern breastfeeding support workers and is being executed through a contract with Plunket. Contracts have been established with Ngati Whatua o Orakei Health Services and the Tongan Health Society for breastfeeding peer counselling programmes. July 09 Maori 52% Pacific 56% Asian 57% Total 66% 	Not Achieved

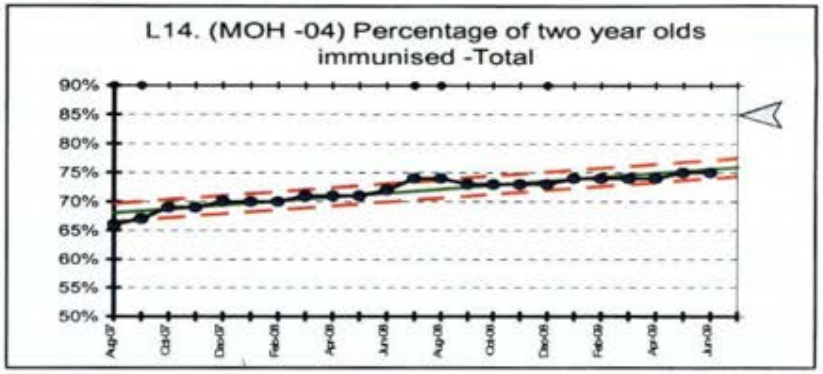
Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
	3 months 57%	July 09 Maori 48% Pacific 43% Asian 55% Total 58%	Achieved
	6 months 27%	July 09 Maori 17% Pacific 18% Asian 28% Total 27%	Achieved





Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
% smoking prevalence in Year 10 children (MoH target to increase the % of 'never smokers' among Year 10 students by > 3%	At least 3 % increase	Year 10 'never smokers' increased from 62.5% in the 2007 survey to 66.9% in the 2008 survey a 4.4% increase.	Achieved
Reduce prevalence of exposure of non-smokers to SHS inside the home to less than 5% (baseline 2006 12.5%, 2007 7.5%) And **Reduction in the exposure of non-smokers to SHS inside the home for Maori is greater than that for European** **N.B. also directly impacts on Sections:5.1.3 Cardiovascular Disease and 5.1.4: Reducing the Impact of Cancer**	< 5%	In the 2006/7 Health Survey the prevalence of exposure to SHS for children in ADHB district was 5.4% This data is not available at DHB level	Not achieved.
% of Children caries free at 5 years (oral health)	Maori 44% Pacific 35% Asian 59% European 80% Other 80% Total 60%	46.4% 33.1% 58.5% 79.9% 61.3% 60.4%	Achieved
Teeth of year 8 decayed, missing or filled (DMFT)	Maori 1.5 Pacific 1.8 Asian 1.1 European 0.8 Other 1.1 Total 1.1	1.06 1.40 0.69 0.43 0.68 0.80	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Progress towards 85% adolescent oral health utilisation (N.B. Maori and Pacific data not collected)	Establish baseline target over 2006/07	We established a baseline target over 2006/07 of 52% .The actual achievement was above this target at 61.6%.	Achieved
All children to have access to primary care	100% under 5yr olds enrolled in a PHO	100% of ADHB residents under 5years were enrolled in a PHO in the year to June 2009	Achieved.
Work with primary care to reduce below the national average unnecessary hospital admissions for all children (N.B. Under 5 yrs)	Under 5 years < 95 %	0-4 age group During the year we succeeded in reducing unnecessary hospital admissions for all children below the national average. Maori and Pacific outcomes were just below the national average whereas Other groups are significantly below the national average. Based on latest MOH data at 31 December 2008	Achieved
Manage target rates of acute admissions, within 28 days of previous discharge date, to the same specialty that discharged them their previous admission	1.98%	Not Measured	Not achieved
Prevention of disease/illness outputs			
Enable Auckland DHB well child providers to increase the % of children enrolled with a GP and a well child provider and to enhance consistency and compliance with the Well Child Framework requirements inclusive of the reporting requirements	100% 5-year-olds	The number of 5 year old children enrolled with a GP and Well Child Service is not known. Regular meetings were held with all Well Child providers in ADHB including Plunket. All providers encouraged to take a 'whole child approach' and check immunisation, enrolment with GP, oral health provider and Well Child provider whenever they see a pre school child. 100% of ADHB residents under 5years were enrolled in a PHO at 30 June 2009 ADHB continues to work with providers to ensure services specified in the Framework are provided.	Partially achieved Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Progress towards 95% of 2 year olds fully immunised	84%	75% (NIR 7 July 09).Work undertaken by the MoH on NIR Datamart Reporting Rules during July resulted in a 5% increase in 2 year olds fully immunised – 80%. 	Not achieved
Develop and implement with other Auckland region DHBs an integrated Well Child Information System	"Milestones report"	This project was put on hold due to budget constraints.	Not achieved
Implement Ministry Approved Healthy Eating Healthy Action Plan	"Milestones report"	All components of the HEHA Plan were implemented, key activities were: • Community Breastfeeding Service established • HEHA Kaimahi Forum established and a funding round for Maori community project grants completed; 10 projects funded • HEHA Pacific Reference Group established, HVAZ Healthy Eating Churches Project implemented, Pacific Youth HEHA programme developed, Certificate in Pacific Nutrition training completed by 24 church representatives • South Asian HEHA programme established • Neighbourhood communications project implemented • Two Nutrition Fund rounds completed for schools and early childhood centres; 52 applications received funding • Primary care nutrition needs assessment undertaken • 50 participants completed the Community Coach Course and received mentoring to lead entry level physical activity sessions Support provided to the Green Prescription Programme and AKActive.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
In collaboration with other agencies work to improve housing, reduce neglect and non accidental injuries, reduce family violence, and advocate on issues affecting families/whanau	"Milestones report"	ADHB has maintained active involvement in Strengthening Families programme at both regional and local levels. ADHB has also continued to participate in the Snug Homes programme. The ADHB Child Health Stakeholder Advisory Group has met regularly and taken an advocacy role in a number of areas e.g. child discipline referendum. ADHB continues to have a strong focus on reducing family violence at a number of levels.	Achieved
Develop Auckland DHB Youth Health Plan	"Milestones report"	An ADHB Youth Health Improvement Plan has been developed through a process of engagement with young people and consultation with key stakeholders and the public. The final draft plan will be submitted to the ADHB Board for final approval early 2009/10.	Achieved
Detection and early intervention outputs			
Implement the universal newborn hearing screening programme across Auckland DHB	No. of infants screened	ADHB has been working with the National Screening Unit on an implementation plan.	Not achieved
Implement the national programme to assess the health of children before they commence schooling: "B4 School Checks"	No children checked	Targets were not achieved for a range of reasons including difficulty in recruiting nurses and in locating suitable community venues for delivery of the programme. Overall, implementation of the programme took longer and was more complex than expected.	Not Achieved
Continue to implement a programme to assess the health of children (0-14 years) in the care of the Child , Youth and Families Service	No. assessed	ADHB has worked closely with the national intersectoral team in the development of protocols and guidelines for this programme and has provided support to other DHB pilot sites particularly CMDHB. Considerable work with the CYF offices has been required and a total of 125 referrals were received. Staffing issues in the last few months of the year affected the number of assessments able to be completed.	Achieved
Management of disease/illness outputs			
Tertiary paediatric services will work with primary care to expand community-based expertise in the care of serious illness and chronic conditions	"milestones report"	A pilot community-oriented paediatrics service - whereby GPs refer patients to a nurse practitioner, who then triages and books in the patient at primary care level for a clinic - has been established in a Three Kings practice. They have had good outcomes from this: low DNA rates, full clinics, appropriate referrals and benefits for the patient including convenient setting and good local follow-up.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Work to ensure children and young people with disabilities get the assistance they need.	"milestones report"	The needs of young disabled people were considered in the development of the ADHB Youth Health Improvement Plan. The ADHB Child Health Stakeholder Advisory Group held a meeting focusing on the needs of disabled children and whether health services were currently meeting those needs.	Achieved
Improve patient outcomes oncology/haematology, renal and endocrinology clinics by implementing joint clinics for children and young people who undergo treatment for cancer and have long-term late effects on their health	No. of joint clinics	Leap and Paediatric Endocrine have scheduled fortnightly clinics to run along side each other. This enables the opportunity to provide clinician collaboration and reduces multiple outpatient visits for children and families. Paediatric Renal Clinics not yet established	Partially achieved
Increase access to surgery for children and young people through refurbishment and additional theatre facilities at Starship Children's health	"milestones report"	Still planning	Not achieved
Create defined spaces in Starship Hospital services for adolescents; and processes for improved transition from paediatric to youth to adult services for young people with chronic health care needs	No. of adolescent places	5 oncology adolescent beds and adolescent appropriate lounge, outpatient waiting room and treatment room created – completed May 2009. Plans to create adolescent space in other wards will occur during the refurbishment programme. Focus on transitioning into adults continues in all medical specialities teams. Paediatric Diabetes to be co-located alongside Adults at Greenlane clinical centre – building work to be completed by October 2009.	Partially achieved
Establish a Child & Youth Morality Review for Auckland	"milestones report	By 30 June 2009 a Chair had been confirmed, a Co-ordinator appointed and appropriate members identified and confirmed.	Achieved
5.1.2 Better outcomes in the health of older people			
Increase in the number of people in the > 85 years who are able to remain in their own homes	5% increase from 2007/08	Yet to be fully quantified	Partially achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Reduction in number of assessments/person aged > 65 years and requiring help	10 % reduction in number of sessions/person	New model of care to achieve this only implemented from 01/07/09	Not achieved
Work with primary care to reduce the numbers of unnecessary hospital admissions for 65-74-year-olds	National average or lower	Not Recorded	Not Achieved
Improve the national contract negotiation process, agreeing a regional default position	Begin discussion with providers re local solutions to improve outcomes	Initial discussions initiated for 2009/10	Not Achieved
Prevention of disease / illness outputs			
Provide alternatives for low to medium need clients e.g. GPs allocating services rather than referring for comprehensive assessment	"milestones report	Significant progress has been made.	Partially achieved
Expand the regional residential care line into a communication/call centre with language skills, information on all residential care facilities, current vacancies, policies and procedures etc	"milestones report	Website updated, new "seniorline" number being launched	Partially achieved
Assist home-based support service providers to become budget holders	milestones report	Interim model in place	Partially achieved
Agree regional rules around licence to occupy arrangements	milestones report	Being managed nationally.	Partially achieved

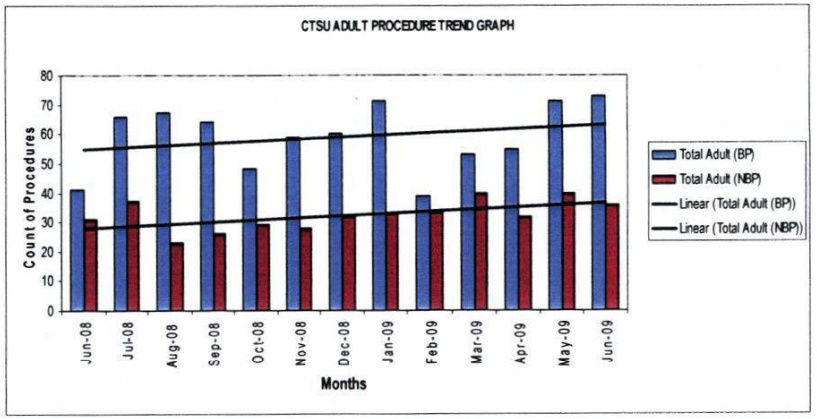
Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Detection and early intervention outputs			
Evaluate clients being supported in their own homes under the ageing in place initiatives	4,000	Significant progress and on track for year end	Partially achieved
Implement the web-based performance monitoring system with training available within the sector	milestones report	Significant progress and on track for year end	Partially achieved
Train providers to implement restorative home care, with a new contracting and monitoring	milestones report	Significant progress and on track for year end	Partially achieved
New Clinical Nurse Specialist positions will complete training needs analysis in the residential care, implementing training programmes inclusive of clinical mentorship and advice	milestones report	Completed, fully implemented as per objective.	Achieved
Management of disease/illness outputs			
Finalise the polypharmacy research pilot & circulate results	Report circulated	Completed and disseminated as per objective	Achieved
Commence implementation of standardised assessment and referral pathways,' individual client care packages' older persons self-management of support services and increased access to information-all deliverables identified from the Community and Home-Based Service Review	milestones report	Significant progress and on track for year end	Partially achieved

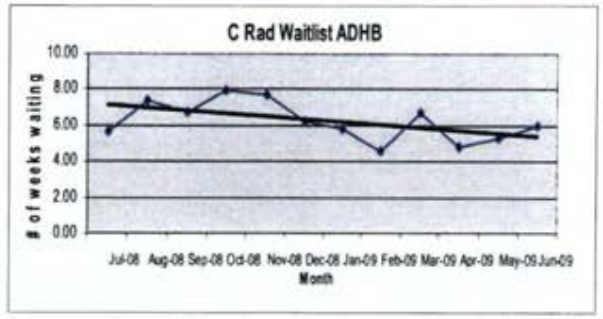
Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Develop enhanced home support capacity to address ethnic diversity among older people, with particular focus on South Asian communities	milestones report	Significant progress and on track for year end	Partially achieved
Develop specific plans and provider relationships relevant for each of the three acuity levels	milestones report	significant progress and on track for year end	Partially achieved
5.1.3 Reduce the impact of cardiovascular disease and diabetes			
% of adults (15+ years) consuming > vegetable servings/day	Initiatives identified in HEHA-MAP	Promotion of vegetables and fruit was a key component of the following programmes: Assessment of Maori community project grant proposals (included in assessment criteria) Pacific church nutrition programmes Neighbourhood communication projects Assessment of school and early childhood Nutrition Fund grant applications (included in assessment criteria)	Not measured
Improve PHO enrolment rates in Care Plus	> 70% of eligible patients	ADHB PHOs have performed well in this area with current enrolment rates at 86.7% across the district.	Achieved.
Increase from 2007/08 the prevalence of "never smokers" among Year 10 students. N.B. Also directly impacts on Sections: 5.1.1 Child Health and 5.1.4: Reducing the Impact of Cancer	≥ 2% from 07/08 (absolute increase)	Year 10 'never smokers' increased from 62.5% in the 2007 survey to 66.9% in the 2008 survey an increase of 4.4%	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Increase % of homes with children that have a smokefree policy when there are smokers who live at / visit the home. N.B. Also impacts on Sections: 5.1.3 Child Health and 5.1.4 Reducing the Impact of Cancer	≥78%	The rate for 2008 increased to 79%. This is an increase of 1% over the 2007 rate of 78%	Achieved
Prevention of disease/illness outputs			
Establish a community breastfeeding support, promotion and advocacy service to increase breastfeeding rates in Maori, Pacific and Asian populations	Milestones report	Community Breastfeeding Service established and is being executed through a contract with Plunket	Achieved
Establish a database to monitor progress towards improving nutrition environments in schools and early childhood centres	Accurate targets set for 09/10	Nutrition funding for schools and early childhood services has been reprioritised by the Government for 2009/10. The National Administrative Guideline for provision of only healthy food in schools was revoked in February 2009.	Not Required
Implement government led initiatives to reduce CVD and /or Diabetes via improved nutrition, increased physical activity, reducing obesity ,reducing harmful effect of tobacco	All agreed deliverables met	This outcome is linked to many other activities such as HEHA activities, Pacific HVAZ, Asian diabetes Nurse, all smoke free initiatives and GRx and other connected exercise mentoring. Although focus to CVD and Diabetes is important, activities can not be delivered in isolation from wider lifestyle approaches focusing on a holistic approach not a disease management approach. However, specific forums used to promote this objective are the Auckland Diabetes Advisory Team and the Primary Care HEHA Advisory Group.	Achieved
In partnership with the respective communities develop separate Maori and Pacific Healthy Eating Healthy Action Plans (HEHA) to identify priorities and solutions for reducing obesity, improving nutrition and increasing physical activity	Milestones report	Maori and Pacific HEHA Community Action Plans were developed and implemented. Key activities included: • HEHA Kaimahi Forum established • Funding round completed for Maori community action project grants • Pacific HEHA Reference Group established • Healthy Eating Churches Project implemented • Pacific youth HEHA plan developed Nutrition and physical activity training delivered e.g. Certificate in Pacific Nutrition, Community Coach Course.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Plan and secure funding for a HEHA programme that addresses the environmental causes of obesity for people of South Central Asian ethnicities	Milestones report	The Mt Roskill HEHA project was scoped, a provider was secured through a contestable process and the project is being implemented in the locality.	Achieved
Implement the actions in the Auckland DHB tobacco control plan (N.B. also directly relevant output for 5.1.4: Reduce the Impact of Cancer)	Achieve MoH agreed targets	Implementation underway ADHB tobacco control plan agreed by Ministry of Health.	Achieved
Develop a long-term conditions framework for Auckland DHB	Milestones report	The framework is complete and imbedded in the primary care plan which was published earlier this year.	Achieved
Detection and early intervention outputs			
Implement the separate but connected CVD & Diabetes plans focusing on improving primary care services and workforce capacity	10,035 get checked consults	Only 7,875 Get Checked assessments were done in 2008/2009 year. We were on target for the 10,035 numbers until the last quarter (May-July 2009) but the advent of H1N1 may have played a role in the decrease. However, all CVD and D risk assessment tools are in place ("Predict" and " Edge") as are the "Diabetes Get Checked" collection systems. Encouragement through working with PHOs to facilitate the use of these tools continue and it is noted that the PHO performance system also has these as key performance indicators.	Partially
Expand systematic cardiovascular risk screening by general practice including screening for people with diabetes	75% of Get Checked consults have Hba1c<8	We achieved 70.4% of those identified as diabetic who were managed with an Hba1c<8.	Not Achieved
Pilot telehealth options for people with long term conditions Heart Failure	Milestones report	Ethics, systems and equipment ready. First Patients for recruitment Sept 2009	Achieved
Implement the Diabetes Plan focusing on improving primary care service and workforce capacity	Milestones report	Active training sessions provided by ADHB Diabetes Centre to GPs, practise nurses and community workers. Virtual clinics and physical peer support sessions and cell group meetings facilitated as required.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
More diabetes education and self management programmes	Milestones report	Two formal contracts are in place with approx 450 people completing a DSME 08/09 year. These are still low numbers and it is intended that this increase to at least 700 for 09-10 year	Achieved
Increase the capacity of diabetic retinal screening to improve access for Maori, Pacific and other populations	Milestones report	An RFP has just finished and will aim to add a community aspect to retinal screening. 5,810 screens were undertaken in the year at the Diabetes centre and it is intended that with the community component a further 5,000-6,000 will be added to this figure.	Achieved
Pilot the Type 1 Diabetes programme run by Diabetes Auckland	Milestones report	A pilot was run but was stopped due to small numbers	Not achieved
Develop the workforce to provide evidence-based community care for diabetes and associated conditions	Milestones report	An Asian diabetes nurse specialist is employed at the diabetes centre and a Diabetes nurse is supported at the Tongan Health society. These are just a few examples of the development aspect planned to support health professionals in caring for and managing people with diabetes.	Achieved
Use pathways of care that allow a nursing model of care shared between community and hospital	Milestones report	There were no changes to the model of nursing care in Diabetes. We are presently looking at a Nurse Practitioner role, which is likely to lead to changes.	Not Achieved
Implement pilots for long term conditions management services (primary care based)	Milestones report	This is in the planning phase. A examination of diabetes pathways is currently being examined as is delivery of supported self management	Partially Achieved
Management of disease /illness outputs			
Strengthen the integrated heart failure project by working with primary care and out hospitals to reduce variation in treatment	Milestones report	The health failure programme is in its 2nd year and is progressing well. We are starting to see the second round of visits attending clinics and getting increased specialist support.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Increase cardio-surgical treatment (CTS) and maintain the expert workforce needed to deliver this **CTSU =Cardio-Thoracic Surgical Treatment unit**	Milestones report	 The service continues with good staffing levels and excellent retention of staff	Achieved
Increase available programmes and options for cardiac rehabilitation including home-based and community services integrated with PHOs and GP Programmes	Milestones report	Cardiac rehab are seeing and supporting 75% of ACS patients that are admitted to the hospital. 41% complete at least 2/3 of the Pacific Island rehabilitation programme	Achieved
Strengthen Auckland City Hospital Stroke Unit treatment/rehabilitation options for stroke	Milestones report	Centralised acute stroke inpatient unit will be opened in November 2009. ADHB has participated in national stroke foundation audit of implementation of stroke units and stroke care co-ordination against best practice. ADHB is currently implementing an initiative for faster access to stroke prevention and care. At present around 40% of stroke patients are admitted to an adult acute stroke unit at Auckland City Hospital. In November, a new stroke unit will open where most (>80%) patients with stroke will be admitted	Partially Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
5.1.4 Reduce the Incidence and Impact of cancer			
All patients wait 6 weeks between 1st Specialist Assessment (FSA) and start of radiation oncology treatment	Treatment within 6 weeks for 100% of patients	The average wait time for C radical (Cancer) patients for June was 6.02 weeks Aug-08 7.40 Sep-08 6.71 Oct-08 7.99 Nov-08 7.72 Dec-08 6.21 Jan-09 5.78 Feb-09 4.62 Mar-09 6.69 Apr-09 4.87 May-09 5.31 Jun-09 6.02 	Not Achieved
Increase prevalence of 'never smokers' among 10 students. N.B. this action also directly impacts on Sections: 5.1.1:Child Health and 5.1.3 :Reduce the impact of Cardiovascular Disease	≥ 3% absolute over 07/08	Year 10 'never smokers' increased from 62.5% in the 2007 survey to 66.9% in the 2008 survey an increase of 4.4%	Achieved
Prevention of disease / illness outputs			
Implement the actions in the Auckland DHB tobacco control plan (N.B. also a directly relevant output for 5.1.3: Reduce the impact of Cardiovascular Disease and Diabetes)	Achieve MoH agreed targets	Implementation underway ADHB tobacco control plan agreed by Ministry of Health	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Ministry Approved Healthy Eating Healthy Action Plan implemented (N.B. also a directly relevant output for 5.1.1: Child Health and for 5.1.3: Reduce the impact of Cardiovascular Disease and Diabetes)	Achieve MoH agreed targets	All components of the HEHA Plan were implemented, key activities were: • Community Breastfeeding Service established • HEHA Kaimahi Forum established and a funding round for Maori community project grants completed; 10 projects funded • HEHA Pacific Reference Group established, HVAZ Healthy Eating Churches Project implemented, Pacific Youth HEHA programme developed, Certificate in Pacific Nutrition training completed by 24 church representatives • South Asian HEHA programme established • Neighbourhood communications project implemented • Two Nutrition Fund rounds completed for schools and early childhood centres; 52 applications received funding • Primary care nutrition needs assessment undertaken • 50 participants completed the Community Coach Course and received mentoring to lead entry level physical activity sessions • Support provided to the Green Prescription Programme and AKActive	Achieved
Increase access to cervical screening within primary care and to specialist services within Auckland City Hospital for women with disabilities	Milestones report	Cervical cancer screening coverage for the total population continues to increase with current rates at 69.4% compared to a national average of 73%. Cervical screening for our high needs population also shows a steady rise with current rates at 59% compared to a national rate of 63.5%	Achieved.
Detection and early intervention outputs			
Develop the regional cancer network policy, protocols and governance structures	Milestones report	Network governance structures are in place. Policy and protocols for Network operations are in place.	Achieved
Regional Oncology Operational Group continues to oversee collaborative delivery of regional cancer services	Milestones report	The Regional Oncology Operational Group continues to oversee collaborative delivery of regional cancer services.	Achieved
Improve participation in the National Breast Screening Programme by eligible women (* 2 year coverage rate for 50-64 yr old women at 21.12.07)	Contract Targets met	As of Dec 08 our coverage rate was 50.6% of eligible women, up from 44.4% in Dec ADHB rates are still substantially lower than the national coverage average of 64.3% at Dec 08	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Improve participation in the National Cervical Screening Programme by eligible women, particularly Maori, Pacific and Asian women(3 yr coverage rate for 20-65 yr women at 31.12.07)**	Contract Targets met	As of Dec 08 our coverage rate was 69.3% of all eligible women, up from 65% in Dec 07. Data for this period for Maori, Pacific and Asian women is not currently available.	Not Achieved
Management of disease/illness outputs			
Introduce Site Specific Tumour Groups in Oncology with patient navigators appointed	Milestones report	ADHB have implemented the tumour group model in appropriate streams (Breast/Lung) and significantly reduced the waiting time for patients in these groups.	Achieved
Evaluate radiation oncology intervention rates	Milestones report	Intervention rates evaluated and new targets agreed for 09/10 which will see an increase in the rate.	Achieved
Investigate the feasibility of an electronic patient management system (PMS) tailored to medical and radiation oncology	Milestones report	Project completed. Not feasible to implement in current context.	Achieved
Improve data collection, analysis, and reporting to the Ministry of Health requirements and to inform regional planning	Milestones report	Improvements were made to data collection and analysis in line with expectations	Achieved
Ensure equipment is replaced in a timely manner to prevent patient delays(e.g. linear accelerator replacement plan is followed	Milestones report	Linac replacement on schedule	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Develop a Palliative Care model of care for future service development (for adults), including the human resource requirements	Milestones report	A new model of care has been developed and is clearly articulated in the Palliative Care Strategy which was finalised in the 08/09 year. However, implementation of the model has now paused as the imminent changes to Primary care are factored in.	Achieved
Develop a Palliative Care education strategy and establish partnerships with education agencies	Milestones report	Due for completion 31/10/09	Partially Achieved
Co-ordinate general practice, other community palliative care providers and specialist care providers	All providers have electronic access to screening & diagnostic information	On track for achievement	Partially achieved
Develop an after-hours palliative care service policy	Milestones report	On track for achievement	Partially achieved
5.1.5 Better outcomes in mental health			
Clients have up to date relapse prevention plans	90% for all ethnic groups	Reported 86% compliance to MoH at end of last quarter in 08/09 FY	Not Achieved
Increased % of people with enduring mental illness in paid work or education or appropriate discharges	5% increase from 07/08	ADHB has continued to work in partnership with Workwise Employment Agency to increase the percentage of those in paid work. Current ADHB information collection around employment and education status is problematic for responding to this specific question as data is only collected via a uniform demographic question in the electronic file. However this may not be particularly useful for reporting purposes as it is completed on "admission" but may not be updated as often as is helpful. As well, it provides for only one selection and so will bias data for those in paid work AND tertiary education (as it is an either/or choice).	Not measured

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Audit of mental health providers	30 % of providers audited	All Mental Health NGO providers were audited over a three year period.	Achieved
Detection and early intervention outputs			
Build workforce via an internship programme	Milestones report	This continues however on a different basis.	Achieved
Collaboration between primary and secondary care staff to enable services responsive to client need	Quarterly audit a sample of relapse plans	This work continues in the form of the successful Progress + pilot currently being undertaken.	Achieved
Within Auckland DHB Youth Action Plan work with other portfolios to develop youth initiatives that include mental health	Milestones report	Action Plan completed and outcome work underway.	Achieved
Progress the service changes required as services are developed	Milestones report	This work continues both within child and youth and adult services.	Achieved
Management of disease / illness outputs			
Work with residential service providers to provide recovery based accommodation services which are well integrated with clinical services and the community	By 30.06.09 all contracted NGO providers audited	All NGO providers were audited as set out in the target.	Achieved
Improve responsiveness to consumers with high end diagnosis issues(e.g. address service gaps for improved access to forensic resources)	Milestones report of ADHB action	The Regional High and Complex Needs and Forensic work continues to address this.	Achieved
Via Regional Services planning address the gaps in services for children and young people with eating disorders	Milestones report of ADHB action	This work is underway with services to be developed over the next year.	Partially Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Clinical and NGO services meet quality and accreditation standards	Milestones report	Quality and accreditation standards have been met.	Achieved
Agreed service delivery specific to Blueprint funding	Milestones report	Provider Arm delivery was against PV schedule as agreed.	Achieved
5.1.6 Improve equality of health outcomes between groups			
Optimum use of the 'Improve Access (SIA)' funding tagged for high needs groups to make better use of primary care	Milestones report	ADHB has recently improved its internal processes that review SIA plans in conjunction with our PHO partners. Future SIA plans will be developed using a standard format that clearly demonstrates sustained improvement to access of services and alignment to the jointly developed Primary Health Care Plan.	Achieved.
Local Iwi / Maori engaged and participate in Auckland DHB decision-making and development of strategies and plans for Maori health gain.	Implement Maori health plan & complete 2 actions by 07/09	Completed a draft Maori Health Workforce Development plan. This plan is currently under review and will be amended for final sign off by end December 09. The assessment for the Tikanga Recommended Best Practice Policy was transferred to MOODLE (online programme) where it was trialled and monitored prior to implementation The new programme (moodle) offers improved access for ADHB staff training. This supports the implementation of the Tikanga Recommended Best Practice Policy that contributes to providing services that are responsive to Maori	Achieved
Pacific peoples are engaged and participate in Auckland DHB decision-making and development of strategies and plans for Pacific health gain	Implement the Pacific Health 5. Priority areas	Ministry Feedback The DHB continues to provide good information across all measures. It is also noted that while the FTE for Pacific medical staff has decreased in the last 6 months, that overall, the proportion of FTE Pacific health workforce numbers across the DHB has increased.	Achieved.
All planning, funding, development and service delivery work reflects a disability perspective	Complete needs analysis & gap analysis	On track for achievement	Partially achieved
Provide input to the Health Work-strand of the Auckland Regional Settlement Strategy Steering Group	Milestones report of ADHB action	Monthly Steering Group meetings attendance and input into the phase 2 Auckland Regional Settlement Strategy has been made. ADHB has representative members on the Strategic Leadership Group for the ARSS as well.	Achieved

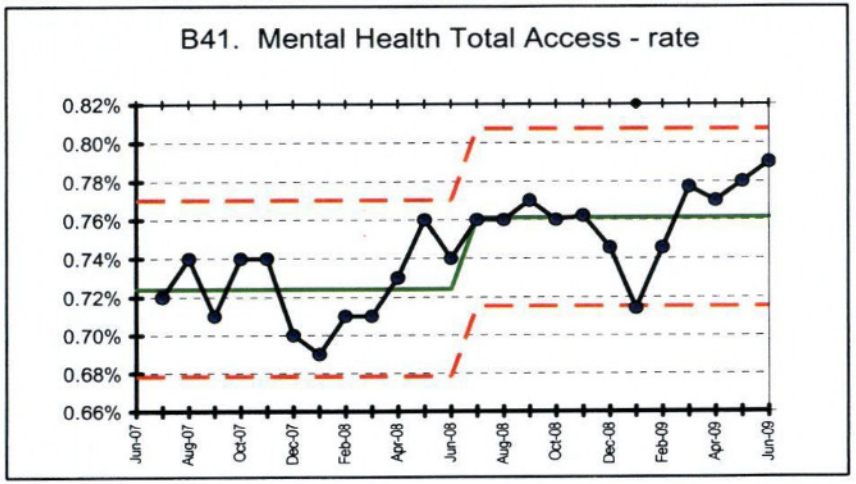
Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Provide input to the Housing NZ led multi-agency Tamaki Transformation Project (an identified area of deprivation)	Milestone reports of ADHB action	Fully engaged in Programme Planning though the social services Work stream	Achieved
Prevention of disease/illness outputs			
Refer to Sections 5.1.1,5.1.2,5.1.3,5.1.4,5.1.5 as initiatives to improve nutrition , increase physical activity ,and reduce smoking and obesity rates include specific emphasis for Maori, Pacific and other disadvantaged peoples.	Refer to 5.1,2,3,4 & 5	Ministry Approved Healthy Eating Healthy Action Plan implemented.	Achieved
Research the needs and aspirations of the disability community as a joint project with other government agencies, organisations and the disabled community.	Report by Dec 08	We have carried out research of the needs and aspirations of the disability community in conjunction with other government agencies	Achieved
Assist disabled people to participate more in planning, including help to provide planning material in accessible formats	Milestones report	On track for achievement	Partially achieved
Develop and maintain systems and processes responsive to the health needs of people from refugee and refugee-like backgrounds resettling in	Milestones report	The primary health interpreting pilot Phase 1 has been delivered and stage 2 (September 2009-February 2010) is about to make the service accessible to all general practices in Auckland City. A learning needs assessment has been completed and the training course is in the planning stages.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Auckland City ,such as: • **Pilot use of interpreter services in general practice** • **Identify the required cultural competencies for primary, secondary ,disability and NGO workforce particular to people from refugee and migrant backgrounds**			
In conjunction with Auckland City Mission and senior leaders across sectors the goal is to get and keep our homeless off the street.	Milestones report of ADHB role	ADHB has been engaged in 2 projects, an intersectoral one and an ADHB specific project to prevent homelessness	Achieved
Work with other agencies to foster job growth for older people migrating to Auckland (e.g. mentoring for migrants, internships , and business leadership)	Milestones report	ADHB Human Resources utilised the Omega Programme to extend work experience and job opportunities to skilled migrants. Planning & Funding itself was unable to use the scheme due to there being no vacant FTE. Discussions with Auckland Regional Migrant Services to scope a joint initiative have not yielded a result.	Achieved
Detection and early intervention outputs			
Increase funding targets for Maori Health and disability initiatives within current Maori health expenditure by 8% in total compared to 2007-08	8% increase	The report completed last year identified the preliminary estimates for 2007/2008. The estimates are part of an ongoing project being undertaken by Planning & Funding to identify the allocation of resources being made by ADHB on a specific portfolio basis. This methodology will be used to develop a better understanding of the baseline expenditure for Maori at the responsibility centre level	Partially Achieved
Each Auckland DHB owned service will introduce at least 2 initiatives linked to the Maori Health Plan and which:	2 initiatives/ service	Reduce Maori DNA's by 5% Project The Project scope is to reduce the Maori DNA rates (the highest of all ethnicities) by 5%.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
• **Improve clinical and cultural partnerships** • **Improve discharge planning** • **Promote whanau support**		Reviewed Maori DNA's and identified recommendations The project is ongoing and the recommendations are planned for implementation in the 2009/2010 Policy and E Learning (Moodle) Programme. The assessment for the Tikanga Recommended Best Practice Policy was transferred to MOODLE (online programme) where it was trialled and monitored prior to implementation. The new programme (moodle) offers improved access for ADHB staff training. This also supports the implementation of the Tikanga Recommended Best Practice Policy that contributes to providing services that are responsive to Maori. Re-aligned specific designated Maori resources in line with the HKO Maori Provider Strategy Shifting of Maori Specific FTE from Mental Health to HKO. Acceptance from the GM's Mental Health, Maori Health, and Executive Director of Nursing. of the Change Management Proposal for Maori Specific staff within the Te Whetu Tawera Mental Health Service i.e.; Three (3) Kaiatawhai to the HKO Provider Arm One (1) Kaumatua to the Chief Advisor Tikanga HKO Tikanga/Cultural Assessment Tool HKO Provider Arm reviewed service delivery protocols when dealing with Maori tangata whaeora and their whanau Developed Tikanga/Cultural Assessment Tool 2nd Quarter 08 of the year. Assessment Tool piloted in the 3rd Quarter 09 of the year	
Implement findings from the national evaluation of the Maori provider development scheme and support Maori providers through this process	Milestones report	No specific activity has been implemented; however ADHB supports the recommendations. The priority for the ADHB is the implementation of the MOH Maori Provider Work Programme.	Not Achieved

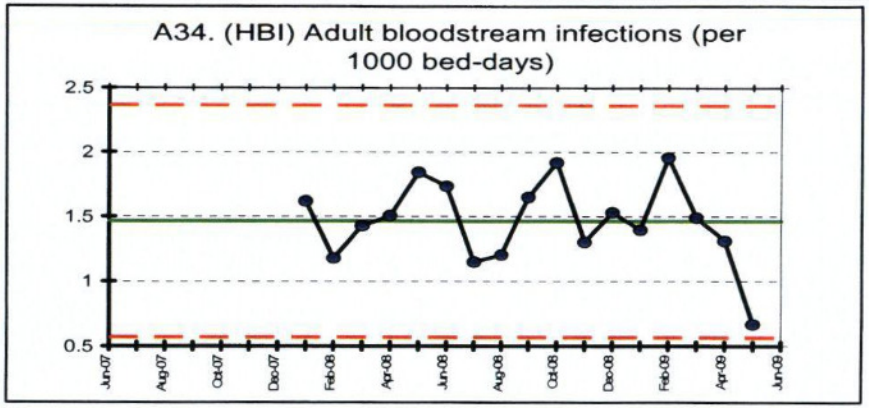
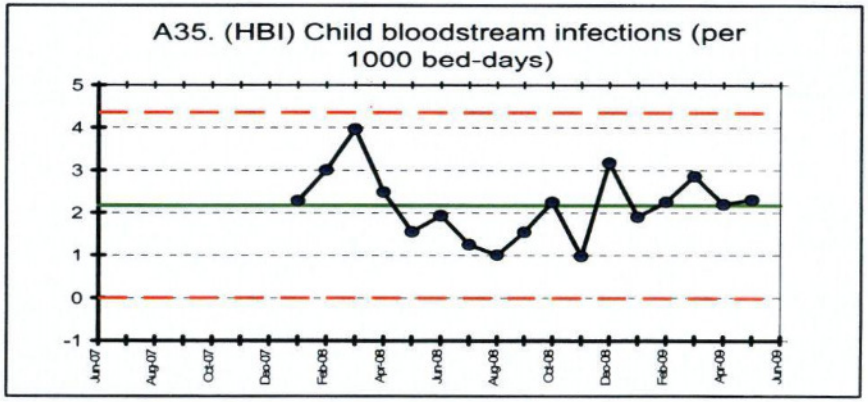
Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Refer to 5.1.3 and 5.1.4 – the primary care based long-term conditions case management initiatives include specific emphasis for Maori and Pacific peoples and other disadvantaged peoples	Refer 5.1.3 & 5.1.4	The LTC case management service agreement awarded to a Maori Provider in June 2008. The provider has had difficulty in implementing this service. Key issues include recruiting suitably qualified staff, implementing system changes and low levels of patient enrolment. ADHB have worked with the provider including awarding funding with the Maori-led PHO to assist in the development of systems and protocols for service delivery.	Partially Achieved
Implement the Maori Health Workforce Plan within primary and secondary services	Milestones report	Completed a draft Maori Health Workforce Development plan. This plan is currently under review and will be amended for final sign off by end December 09. The Encouraging and Supporting Innovation (ESI) partnership programme between ADHB, AUT and the Rangatahi Mentoring Trust has commenced.	Achieved
Action the Pacific Health 5 Priority Areas: • **Increase the capacity and capability of the Pacific Health and Disability Workforce** • **Mainstream responsiveness** • **Build Health Pacific communities** • **Pacific provider and workforce development** • **Performance improvement**	Milestones report	Capacity & capability – further work required to finalise the Pacific Workforce Development plan . Mainstream responsiveness – the Mainstream Responsiveness plan was finalised and adopted by the Board Build Healthy Pacific Communities – All Healthy Village Action Zones projects have been implemented according to plan. Pacific provider and workforce development – Pacific Provider Development allocations were allocated and further work required to complete the Pacific Provider Workforce Development plan. Performance improvement – a Pacific population data analysis was completed.	Capacity & capability – Not Achieved Mainstream responsiveness – Achieved Build Healthy Pacific Communities – Achieved Pacific provider and workforce development – Partially achieved Performance improvement – Achieved

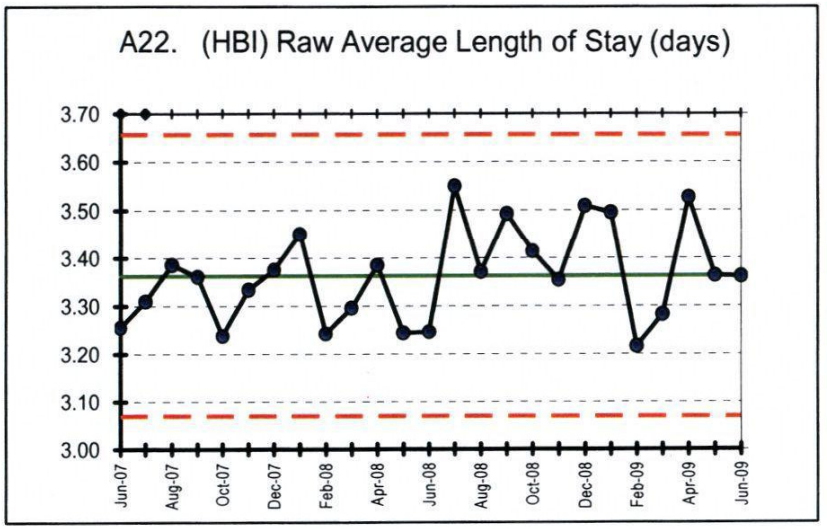
Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
5.2 Improved Performance			
5.2.1 Productivity and efficiency			
Achieve an integrated quality patient journey through primary and secondary care services	Projects proceed to plan	Project proceeded to plan.	Achieved
	Streamlined referral & Discharge Processes	Electronic requests for assistance, referrals, consultation advice, and discharge communications are seen by the DHBs as enablers of integration between Primary Health Care, Community and Ambulatory, and Secondary care providers. Such integration is necessary to manage acute demand, and to serve people with high and complex needs effectively. There is a need to achieve the national minimum standards of a maximum six-month waiting time for First Specialist Assessment and a maximum six-month waiting time for operation for high priority procedures.	Achieved
	Reduce waiting times for cancer patients	The average wait for Radiation Oncology Patients at June 2009 was 6.02 weeks up from 5.58 weeks in June 2008. 97% of Chemotherapy patients starting treatment in June were treated within 6 weeks of First Specialist Appointment	Partially Achieved
	Introduce an integrated heart failure project for diabetes & vascular services	Proceeded according to plan	Achieved
	Introduce a cardiac rehabilitation programme	Cardiac rehabilitation is provided at Auckland City Hospital to support, educate and assist the patient, spouse, partner, whanau and family following an acute cardiac event. By their own efforts, patients may resume normal functioning in society and through improved health behaviours can also slow or reverse the progression of cardiac disease.	Achieved
	Reduce admissions and re-admissions for older people	Initial indications are favourable although a quantifiable reduction will not be evident until part through the year when data is reported from the new providers	Partially Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
	Reduce waiting times for mental health patients	Waiting times are not recorded for mental health patients as this is an on demand service. We do track the access rate as indicated below. Understanding the chart. The control limits for the performance measure are indicated by upper and lower lines of dashes.Actual performance is measured by the line joining the dots at target dates and crossing the solid median line. 	Achieved
	Implement an elective surgery booking system that creates certainty for patients & manages their condition while on the wait list	Full ESPI compliance for each month during financial year.	Achieved
	Surgical review process	The data analysis phase is now complete and work commenced last month on defining revised standards and processes. Data analysis has been thorough and hence time consuming as we have carried out root cause analysis to ensure that the changes put in place will resolve issues rather than be 'sticking plasters'.	Partially Achieved
	After-hours model of care project	The project has proceeded to plan	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
	Production Planning project	The production planning project was continued during 2008-09, priorities during the year were monitoring and forecasting elective volume performance, liaison with Ministry of Health planners, preparation of a business case for a bed capacity step and analysis of outsource requirements for 2009-10.	Achieved
Clinical quality and professional governance model that creates an environment of openness, transparency and no blame culture that invites public scrutiny and facilities continuing quality and process improvement	Policy, systems & processes upheld at all times	The development of a Clinical quality and professional governance model defines roles, responsibilities and accountability for improvement	Achieved
Organisation vision ,values and goals cascade through Auckland DHB: Strategic Plan, Annual Plan ,Service Contracts, Functional Group Business Plans and Staff performance Management Plans	Deliverables according to plan	The DAP and Strategic Plan contains our vision, values and goals which are the foundation documents for all other plans. We introduced a driver diagram concept this year to ensure correlation between plans. This was to achieve clarity around staff performance objectives. This was highly effective and visible.	Achieved
Provide fit for purpose facilities and infrastructure that support and enable operational efficiency and effectiveness	Budget according to plan	Facilities and infrastructure provided were fit for purpose and supported operational efficiency and effectiveness. Expenditure on facilities and infrastructure, both operational and capital, was managed within approved plans.	Achieved
Implement recommendations from Auckland DHB information and Communications Technology Architecture Plan, 2008	Achieve agreed milestones	Achieved although progress has been slower than expected due to complexity and regional alignment. Resilience Programme of Work was initiated. Stage one (high level design) completed. Stage 2 (detail design and application monitoring) nearing completion. Business Case for Stage 3 under development.	Achieved
Primary Health Organisations (PHO) Performance			
Percent valid NHI on patient register	99.5%	Current reports indicate 97.5% valid NHI on patient registers which is below the target. The DHB is working in conjunction with the PHOs to improve this rate and to meet the target.	Not Achieved
Ratio utilisation by high needs enrolee	1	The PHOs have exceeded the target producing a current ratio of 1.26 which is very pleasing.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
(GP and nurse consults)			
Percentage of Auckland DHB residents enrolled in PHO's	100%	94% of ADHB residents were enrolled in a PHO at 30 June 2009	Not achieved.
Percentage of under 5 –year-olds enrolled in PHOs	100%	100% of ADHB residents under 5years were enrolled in a PHO at 30 June 2009	Achieved.
Percentage of high needs enrolled in PHOs	100%	91.5 % [Last year, it was recorded that 97% enrolment achieved.]of % of ADHB residents classified as high-need enrolled in any PHO	Not achieved
Percentage of PHOs committing to performance management	100%	All of the DHB PHOs are committed to the current national performance management programme. Andrew Coe	Achieved
Quality and Patient Outcome			
% triage 1 patients seen immediately	100%	100%	Achieved
% triage 2 patients seen within 10 minutes	80%	68%	Not Achieved
% triage 3 patients seen within 30 minutes	75%	40%	Not Achieved
Readmissions per 100 discharges	30 per 1,000	71 per 1,000	Not achieved
% score overall satisfaction	88%	Data for the year ending 2008 show overall inpatient satisfaction of 89% and an overall outpatient satisfaction of 91%. The current financial year ending June 2009, show overall inpatient satisfaction of 90% and overall outpatient satisfaction of 91%.	Achieved
Aggregated % for respected dimension	84.8%	2008 – 87.8% 2009 – 89.0%	Achieved
Aggregated % score for information dimension	80.7%	2008 – 81.4% 2009 – 82.4%	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Aggregated % score for physical dimension	82.0%	2008 – 85.9% 2009 – 86.7%	Achieved
Bloodstream infections per 1000 bed days	0.2 BSI	 	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Process and Efficiency			
Average length of stay per discharged inpatient	4.1	2007/08: 3.3 2008/09: 3.2 	Achieved
Actual length of stay vs. expected length of stay (casemix adjusted)	100%	93%	Not Achieved
Day cases as a % of all elective procedures	52%	54.3%	Achieved
Actual day cases as % of expected day cases (casemix adjusted)	100%	This measure is not defined and cannot be reported.	
Day of surgery admissions (DOSA) as % of all inpatient surgery	41%	2007/08: 43% 2008/09: 43%	Achieved
Actual DOSA as % of expected DOSA (casemix adjusted)	100%	This measure is not defined and cannot be reported.	

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Do not attends % of non attendance for specialist appointments	8.5%	9.4%	Not achieved
Organisational Health			
Staff turnover resignations for quarter as % of total head count	3.1%	Q1 – 3.0% Q2 – 2.9% Q3 – 3.0% Q4 – 2.3%	Achieved
Sick leave hours as % of accrued FTE hours	3.5%	Q1 – 4.3% Q2 – 3.3% Q3 – 3.2% Q4 – 4.1%	Not Achieved
Injury/illness per 1,000,000 hours worked	7.5	Q1 – 12.45 Q2 – 8.45 Q3 – 8.5 Q4 – 6.29	Not Achieved
Finance			
Debt at quarter end as % of (debt + equity)	78.03%	39.32%	Achieved

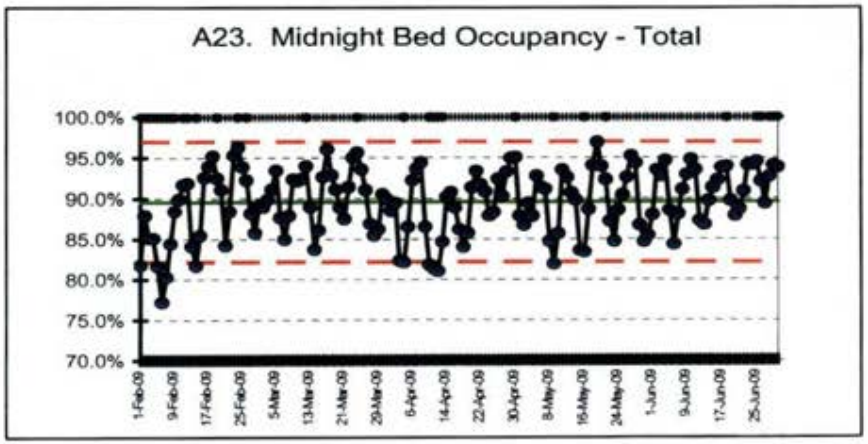
Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement

Cost of service Statement for Year Ending 30 June 2009

$000	Funder	Governance & Funding Admin	Provider	Elimination	Total
Actual					
Revenue	1,465,003	3,245	1,076,862	(906,855)	1,638,253
Less Expenses	1,430,362	11,815	1,102,607	(906,855)	1,637,927
Net Surplus	**34,641**	**(8,570)**	**(25,745)**	**0**	**326**
Budget					
Revenue	1,432,195	3,336	1,053,366	(888,467)	1,600,430
Less Expenses	1,407,808	11,359	1,069,730	(888,467)	1,600,430
Net Surplus	**24,387**	**(8,023)**	**(16,364)**	**0**	**0**
Variance					
Net Surplus	**10,254**	**(547)**	**(9,382)**	**0**	**326**

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Ratio of 12 months revenue to fixed assets at quarter end	1.72	1.44	Not Achieved
Ratio of capital expenditure to depreciation over the quarter	1.33	0.99	Not Achieved
Staff costs (in 1000s) divided by workforce FTE (for medical personnel)	143.514	162.77	Not Achieved
Staff costs (in 1000s) divided by workforce for FTE (for nursing personnel)	72.037	70.66	Achieved
Staff costs (in1000s) divided by workforce FTE (for allied health personnel)	66.495	67.42	Not Achieved
Staff costs (in 1000s) divided by workforce FTE (for support	35.835	39.48	Not achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
personnel)			
Staff costs (in 1000s) divided by workforce FTE (for managers and administrators)	68.996	79.08	Not Achieved
Staff costs (in 1000s) divided by workforce FTE (for total provider arm personnel)	82.084	85.71	Not Achieved
Improve the Rate of Elective Services			
Auckland DHB agrees an increase in the number of elective service discharges, and will provide the level of service agreed (N.B. ADHB Population)	CWDs: Base 10,670 Add 1,067 Total 11,737 Elect discharges Base 8.581 Add 858 Total 9,439	Total cwd delivered 13,809 Total discharges delivered 11,241	Achieved Achieved
Overall Productivity			
Volume acute (N.B. All Populations)	100% of total contract	Contract 110,029 Actual 111,701 increase 1,672	Achieved
Volume elective (N.B. All Populations)	100% of contract	97.81%	Not Achieved
WIES equivalent per FTE	36.67	31.78	Not Achieved
Theatre utilisation (% utilisation of resourced elective operating time (by minute)	85%	Orthopaedics : Ortho Theatre Utilization 82.1%	Not Achieved
Bed utilisation (% at 12 midnight	85%	The average for Adult Health for the 08_09 FY year was 95.8% compared to 94% for the 07_08 FY	Not Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
occupancy of resourced beds for Auckland City Hospital, excludes adult emergency department/assessment planning unit beds, labour and birthing and WOW beds		This reflects the bed pressure in the face of increasing acutes and focus on elective throughput. Once the beds open on level 14 Building 1 this occupancy should drop 	
Waiting times for acute surgery	10% to 07-08 results	2007-08 4.11 hours 2008-09 4.33 hours	Not Achieved
Surgical cancellations	10% to 07-08 results	2007-08 7,495 2008-09 7.353 reduction of 142 or 1.9%	Not Achieved
5.2.2 National and regional health services planning			
Auckland DHB uses its strengths to add value to national and regional developments	Nationally & Regionally reported	ADHB nationally has participated effectively through groups such as DHBNZ, National Quality Improvement Projects, national pricing process and regionally through the Northern Region Quality Committee and the RISPOG process.	Achieved
The Northern Regional Collaboration delivers according to its action plan	Nationally & Regionally reported	ADHB has fully participated in and supported the development of The Northern Regional Network Strategy	Achieved
Auckland DHB maintains its	As per DHB Contract	Services were over contract for 2008/09 with key service areas having increased throughput as requested by the government and referring DHBs, e.g. CTSU and oncology services.	Partially achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
contracted service delivery targets	Reporting		
National Projects Auckland DHB is actively involved with			
National pricing projects	Reported progress in line with annual projected objectives	Active participation in National Pricing Programme (MoH/DHBNZ project) over last three years to attempt to ensure IDF prices and Tertiary Adjuster are reasonable for major IDF providers. Partial success.	Achieved
Quality Improvement Programme, Auckland DHB directly involved in 5 projects: **Management of health care incidents** **National mortality review** **Safe medicines management** **Infection prevention and control**	Report on progress	Project in line with key milestones and will achieve • Root Cause Analysis training completed (July 09). Incidents are reported to MoH as required by the draft standard. Local policies and procedures are being revised to align with the national standard (80% complete • Phase One Hand Hygiene in progress. 75% completed and will complete • Phase Two CBSI has commenced and will complete	Achieved
Midwifery models of care	Report on progress	Midwifery shortages impacting on service delivery and quality because the majority of primary maternity care is provided by midwives with no other workforce with the capacity to replace this. Actions Chairperson of AUT School of Midwifery Advisory Board. – monitor and advise on local service industry requirements, recruitment of appropriate numbers and clinical placements. Chairperson actively engaged in DHBNZ Future workforce planning – forecasting and stock take of midwifery numbers and roles Midwifery Council – participation in forums to evaluate undergraduate programs, competency, professional requirements and ongoing issues midwifery profession faces Expert Advisory member for MOH Postgraduate midwifery programs • Midwifery first year of practice Complex Care Midwifery – funded program introduced in 2009	Achieved
Ways to manage the introduction and impact of new technologies	Report on progress	The ABHB Clinical Practice Committee process reviews and assesses the impact /benefit of new technologies. This process is well established.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
National Health Emergency Plan (under construction)	Report on progress	The National Health Emergency Plan (NHEP) provides overarching direction to the health and disability sector and all of government. It shows how the health and disability sector would work together in a co-ordinated way with other government agencies to respond to disasters and emergencies. The NHEP describes the strategic relationships for emergency management across the health sector and against the four Rs (Reduction, Readiness, Response and Recovery). The following guidance and action plans support the NHEP. last updated: 11 March 2009 (Source Ministry of Health website)	Achieved
National Health Emergency Plan for infectious diseases(Pandemic Planning)	Report on progress	The Ministry of Health is working with the health sector and other Government agencies to ensure New Zealand is as prepared as possible for a potential pandemic. last updated: 11 March 2009 (Source Ministry of Health website)	Achieved
Northern Regional Collaboration Projects			
Employee Relations and Multi Employer Collective Agreements (MECA) 'one-voice' project	Progress in line with timelines included in CEO endorsed regional services planning workplan	Regional responses to MECAs.	Achieved.
Regional Funding Forum	Progress in line with key deliverables in 0809 operational plan	The four GM's fully participated in a wide range of local, regional and national planning and funding issues which are covered in the minutes of the monthly Regional Funding Forum (RFF) and the minutes of the bi-monthly National GM's Planning and Funding Network.	Achieved
Regional Recruitment Strategy Project	Progress in line with key deliverables in 0809 operational plan	Regional recruitment collaboration is progressing well with a Regional Recruitment Steering Group formed and a Regional Value Proposition developed.	Achieved
Northern Cancer Network	Progress in line with key deliverables in 0809 operational plan	Regional Network has established work streams in Lung Cancer and Bowel Cancer with regional representation in steering groups. They have formulated work plans around defined targets. Developed regional MDM form for lung cancer.	Achieved

Area of Activity	Targets 2008/09	Performance Recorded for 2008/09	Degree of Achievement
Regional Service Reviews Underway/ Planned • **Renal** • **Plastics and Reconstructive Surgery** • **Ophthalmology** • **Chronic Pain Services (TARPS)** • **Sexual Health** • **Major Trauma** • **Urology** • **Oral Health** • **ORL/Head and Neck** • **Vascular** • **Interventional Radiology** • **Mental Health (initial review and additional projects)**	Progress against workplan Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported Regionally reported	Regional work has continued to implement regional configuration changes for Renal, Plastics, Pain and Ophthalmology (at a regional or bilateral level). Regional reviews planned for remaining services have been on hold pending the outcome from the Regional Clinical Services Plan Phase II (due to MOH late 2009). These reviews will commence in a staged format in 2009/10, informed by the Regional Clinical Services Plan.	Achieved.

AUDIT REPORT
TO THE READERS OF
AUCKLAND DISTRICT HEALTH BOARD AND GROUP'S
FINANCIAL STATEMENTS AND STATEMENTOF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009

The Auditor-General is the auditor of Auckland District Health Board (the Health Board) and group. The Auditor-General has appointed me, Gordon Fulton, using the staff and resources of Ernst & Young to carry out the audit of the financial statements and statement of service performance included in the annual report of the Health Board for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Health Board on pages 24 to 66:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Health Board's financial position as at 30 June 2009; and
    - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Health Board on pages 67 to 103:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects for each class of outputs:
    - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
    - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 2 November 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and 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 the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance 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 and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. 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 and statement of service performance disclosures are adequate.

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

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

Responsibilities of the Board and the Auditor

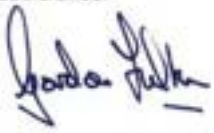
The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Health Board as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Health Board's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

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



Gordon Fulton
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand