Canterbury District Health Board

Report For the Year Ended
30 June 2002

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DIRECTORY

Board Members

Syd Bradley - Chair
Randall Allardyce
Philip Bagshaw
Erin Baker
Robin Booth
Graham Heenan
David Morrell
Tuari Potiki
Olive Webb
Paul White
Alison Wilkie

Chief Executive Officer

Jean O'Callaghan

Registered Office

Charles Luney House
250 Oxford Tce
PO Box 1600
Christchurch

Auditor

Audit New Zealand on behalf of the Auditor-General

Banker

WestpacTrust
Bank of New Zealand

MISSION STATEMENT

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

Board Members

Syd Bradley - Chair

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

Randall Allardyce

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

Philip Bagshaw

Philip Bagshaw is a general surgeon at Christchurch Hospital and is an Associate Professor of Surgery at the University of Otago's Christchurch School of Medicine and Health Sciences. Philip was appointed to the academic staff there in 1981, where he teaches and does research work. Philip has already served on the Canterbury District Health Board for one year.

Erin Baker

Erin Baker is currently a councillor serving on the Christchurch City Council. Erin trained as a radiographer at Christchurch Hospital and worked in this profession both in Christchurch and overseas before becoming a professional athlete. Erin has also served on the boards of Jade Stadium Limited and Christchurch and Canterbury Marketing Limited.

Robin Booth

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

Graham Heenan

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

/ continued /

Board Members - continued

David Morrell

David Morrell is City Missioner in Christchurch, and has had 30 years involvement with general health and mental health through hospital chaplaincy, primarily at Christchurch Hospital during the 1970s and subsequently at the City Mission. City Missioner since 1982, David has had extensive management training, both here and in the United Kingdom.

Tuari Potiki

Tuari Potiki is of Kai Tahu, Kati Mamoe descent, belonging to the hapu of Kati Taoka and Kai Te Ruahikihiki. He has a background in Maori health and has worked extensively in the alcohol and drug, mental health, and justice sectors. Tuari is currently Social Development manager with the Ngai Tahu Development Corporation.

Olive Webb

Olive Webb is a clinical psychologist, has more than 30 years experience working in the disability sector, particularly with people with intellectual disabilities. Based in Hororata, Olive has a focus on rural health issues and delivery. She is the national Health Consultant for IHC and also consults in the Mental Health sector. Olive has served on the Canterbury District Health Board for one year.

Paul White

Paul White is from the Ngai Tupoto hapu of Te Rarawa Iwi. Paul has a 20-year background in Maori development and wide experience in the public service. He is currently a management and development consultant and professional director.
Previous to this Paul was the Chief Executive of Ngai Tahu Development Corporation where he worked for three and a half years, a Regional Director for Te Puni Kokiri in Tai Tokerau for five years, and Branch Manager for the Housing Corporation in Northland where he worked for seven years. Paul is a registered architect and has a Masters in Business Studies, he is also a board member on Housing NZ Ltd. Paul is married to Claire, who is Ngai Tahu and has three children, Tawini, Te Hau, and Kaahu.

Alison Wilkie

Alison Wilkie served on the Riccarton-Wigram Community Board for three years. Alison trained as a nurse at Christchurch Hospital and has post-graduate qualifications in health economics and public health. A life member of the Asthma Foundation and the Canterbury Asthma Society, Alison has worked as an asthma and respiratory educator and owns a small business. Alison has served on the Canterbury District Health Board for one year.

BOARD'S REPORT & STATUTORY DISCLOSURE

To the stakeholders, on the affairs of the Board for the period ended 30 June 2002.

PRINCIPAL ACTIVITIES

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

RESULTS

During the year, the Group made a net deficit after capital charge of $21.6 million (budgeted deficit $20.0 million).

BOARD FEES

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

	Board Fees Period ended 30/06/02 $'000	Committee Fees to Board Members Period ended 30/06/02 $'000
Syd Bradley	48	7
Randall Allardyce	13	3
Philip Bagshaw	24	5
Erin Baker	13	3
Robin Booth	13	3
Marty Braithwaite (resigned)	10	2
David Kerr (resigned)	15	3
Graham Heenan	24	8
David Morrell	13	2
Mick Ozimek (resigned)	10	2
Tahu Potiki (resigned)	4	-
Tuari Potiki	11	3
Api Talemaitoga (resigned)	10	1
Olive Webb	27	5
Paul White	24	7
Alison Wilkie	24	7
	283	61

The limit of fees authorised for the year ended 30/06/02 was $370,875. The Board Members fees paid in the six months ended 30/06/01 were $111,000 compared to the authorised limit of $114,000.

DIRECTOR FEES

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

	Year Ended 30/06/02 $'000
G Coyle	2
A Lomax	9
E Stratford	1
J Luhrs	4
C Climo	4
G Heenan	9
A Urlwin	10
	39

BOARD AND COMMITTEE MEMBERS' INTEREST

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

CANTERBURY DHB

Syd Bradley	Deputy Chair of New Zealand Post Ltd
Graham Heenan	Chair of Canterbury Laundry Services Ltd. Chair of CLS Properties Ltd
Dr David Kerr	Adviser to Health Benefits Adviser to Pegasus Health Ryman Healthcare Ltd
Paul White	Director of Housing New Zealand Ltd
Randall Allardyce	Director of Breath Testing Service
Alison Wilkie	Canterbury Asthma Society
David Morrell	City Missioner in Christchurch City Mission
Erin Baker	Christchurch City Council
Robin Booth	Christchurch City Council
Api Talemaitoga	Pacific Trust Canterbury
	Member of Pegasus Health
Mick Ozimek	Member of Pegasus Health
Neville Fagerlund	Adviser to Pegasus Health
Fiona Pimm	South Canterbury DHB

SUBSIDIARY COMPANIES

William McDonald	Director of subsidiary, Burwood Rehabilitation Limited. No directors fees or any other benefits were received from the subsidiary company except as an employee of Canterbury DHB.

Chai Chuah	Director of subsidiaries, Canterbury Laundry Services Limited and CLS Properties Limited. No directors fees or any other benefits were received from the subsidiary companies except as an employee of Canterbury DHB.
Paul Numan	Director of subsidiary, Brackenridge Estate Ltd. No directors fees or any other benefits were received from the subsidiary companies except as an employee of Canterbury DHB.

DIRECTORS' AND BOARD MEMBERS' LOANS

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

DIRECTORS' AND BOARD MEMBERS' INSURANCE

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

USE OF BOARD OR SUBSIDIARIES' INFORMATION

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

TERMINATION PAYMENTS

Termination payments made during the year 30 June 2002 are as follows :

Number	Amount
1	750
1	1,200
1	1,208
1	10,800
1	14,137
1	14,463
1	15,000
1	23,748
1	37,830
1	39,351
1	40,000
1	45,000
1	49,135
1	67,105
1	87,280
15	447,007

REMUNERATION OF EMPLOYEES

The number of employees for the Group whose income was within the specified bands (for 00/01 based on 6 monthly earnings being annualised) is as follows:

	30/06/02 Number	30/06/01 Number
$100,000 - $110,000	43	53
$110,001 - $120,000	22	29
$120,001 - $130,000	24	26
$130,001 - $140,000	27	26
$140,001 - $150,000	27	29
$150,001 - $160,000	29	30
$160,001 - $170,000	21	19
$170,001 - $180,000	8	8
$180,001 - $190,000	9	1
$190,001 - $200,000	10	3
$200,001 - $210,000	1	2
$210,001 - $220,000	3	3
$220,001 - $230,000	1	1
$230,001 - $240,000	-	1
$240,001 - $250,000	-	2
$250,001 - $260,000	1	1
$270,001 - $280,000	-	1
$350,001 - $360,000[1]	1	-
	227	235

Of the 227 positions identified above, 206 are predominantly clinical and 21 positions are management/administrative. If the remuneration of part-time positions were grossed-up to an FTE basis, the total number of position with FTE salaries of $100,000 or more would be 349 with 328 positions predominantly clinical and 21 positions management/administrative.

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

STATUTORY DISCLOSURE

Legislative Responsibilities

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

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

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

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

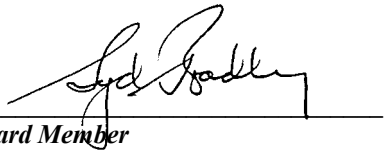
The following information reports Canterbury DHB's performance for the year ended 30 June 2002, for the above additional disclosure requirements:

Section 42(3)(b) – Report on extent CDHB has met the objectives under section 22	
Objective:	**Extent objectives met**
(a) to improve, promote, and protect the health of people and communities:	Initial Regional Needs Assessment completed and discussed with wider community November 2001. CDHB workshopped Strategic Plan process with internal and external stakeholders, produced a plan, then consulted in the community about directions and priorities. Plan changed as a result of consultation. As part of this process CDHB produced initial Health Needs Assessment to inform it on health and disability of its people and community.
(b) to promote the integration of health services, especially primary and secondary health services:	Strategic Plan promotes initiatives in response to its 5 Core Directions 'Working Together' and 'Finding Better Ways of Working'.
(c) to promote effective care or support for those in need of personal health services or disability support services:	CDHB has supported initiatives that assess service gaps/effective utilisation as a way of informing service development, eg, Proposal for Change, LinkAGE Project.
(d) to promote the inclusion and participation in society and independence of people with disabilities:	CDHB has actively supported the DSA Committee and produced a Disability Strategic Action Plan which has timelines for various actions in area of employment, confirmation, participation.
(e) to reduce health disparities by improving health outcomes for Maori and other population groups:	CDHB has produced its Maori Health Action Plan, which has timelines for specific actions designed to assist in improving health outcomes for Maori.
(f) to reduce, with a view to eliminating, health outcome disparities between various population groups within New Zealand by developing and implementing, in consultation with the groups concerned, services and programmes designed to raise their health outcomes to those of other New Zealanders:	The CDHB Health Needs Assessment has identified groups in the community which have health inequalities. Strategic Plan Health Gain Priority areas (eg, Child and Youth, Maori) have been identified as part of this process.
(g) to exhibit a sense of social responsibility by having regard to the interests of the people to whom it provides, or for whom it arranges the provision of, services:	CDHB has endeavoured to provide for service coverage for people in its community and is involved in such groups as Strengthening Families to advance interagency cooperation.
(h) to foster community participation in health improvement, and in planning for the provision of services and for significant changes to the provision of services:	Forums such as Healthy Christchurch, Elder Care Canterbury, Maori Hui, DHBNZ, Local Diabetes Team are examples of groups the CDHB is an active participant in with a view to comprehensive service planning that will lead to health improvement.

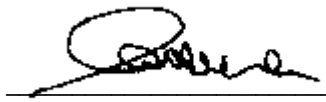
(i)	to uphold the ethical and quality standards commonly expected of providers of services and of public sector organisations:	CDHB works to ensure these standards are upheld by developing policies (such as tendering policies) that comply with public sector best practice and ensuring quality is specified in all contracts.
(j)	to exhibit a sense of environmental responsibility by having regard to the environmental implications of its operations:	CDHB has shown a sense of environmental responsibility via its waste management programme and in relation to its rebuilding programme.
(k)	To be a good employer	Various strategies and systems processes implemented but further initiatives can be developed. • Culture survey undertaken across organisation. This will assist in further identifying initiatives. • Development of cluster structure at Christchurch Hospital to facilitate greater involvement at all levels across all medical disciplines. • Harassment and Bullying Policy and training implemented to assist in providing a better working environment. • Management leadership training in place. Policies and approaches under development to provide for greater involvement of Maori and Pacific Island people in the CDHB workforce.

Section 42(3)(i): Statement of how CDHB has given effect and intends to give effect to its functions specified in section 23 (b) – (e)		
Function :		**What has been done to meet function**
(b)	to actively investigate, facilitate, sponsor, and develop co-operative and collaborative arrangements with persons in the health and disability sector or in any other sector to improve, promote, and protect the health of people, and to promote the inclusion and participation in society and independence of people with disabilities:	• Involving stakeholders in delivery of Core Directions and health gain priority areas for CDHB Strategic Plan. • Actively involve relevant groups and individuals.
(c)	to issue relevant information to the resident population, persons in the health and disability sector, and persons in any other sector working to improve, promote, and protect the health of people for the purposes of paragraphs (a) and (b):	• Continuation of written media, TV and radio work to outline general issues and priorities. • To continue to respond directly to media/personal/group enquiries. • To circulate/make available significant documents/plans for population in summary and comprehensive form either at libraries, via groups or individually.
(d)	to establish and maintain processes to enable Maori to participate in, and contribute to, strategies for Maori health improvement:	Relationships with Manawhenua Ki Waitaha; Te Runanga and Nga Maata Waka; Maori community through quarterly consultation hui and with Maori providers and other Maori community organisations.
(e)	to continue to foster the development of Maori capacity for participating in the health and disability sector and for providing for the needs of Maori:	Within the provider arm a range of Komiti for Maori staff have been established across the divisions and Te Ao Marama the CDHB wide Maori Health Group.

For and on behalf of the Board



Board Member



Board Member

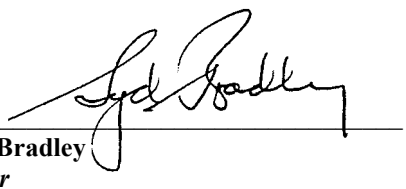
STATEMENT OF RESPONSIBILITY

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

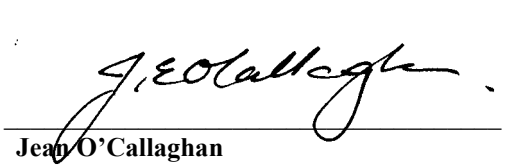
a) The preparation of financial statements of Canterbury DHB and the judgements used therein, are our responsibility.

b) The establishment and maintenance of internal control systems, designed to give reasonable assurance as to the integrity and reliability of the financial reports for the period ended 30 June 2002, are our responsibility.

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



Syd Bradley
Chair
25 October, 2002



Jean O'Callaghan
Chief Executive Officer
25 October, 2002

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 June 2002

	Notes	Group			Parent	
		Actual 12 mths to 30/06/02 $'000	Budget 12 mths to 30/06/02 $'000	Actual 6 mths to 30/6/01 $'000	Actual 12 mths to 30/06/02 $'000	Actual 6 mths to 30/6/01 $'000
OPERATING REVENUE						
MoH Revenue		623,078	637,904	212,349	609,975	205,386
Patient Related Revenue		22,611	20,462	9,477	22,609	9,238
Other Revenue		9,708	11,170	11,735	9,190	11,044
TOTAL REVENUE		655,397	669,536	233,561	641,774	225,668
OPERATING EXPENSES						
Employee Costs		299,748	289,534	142,631	289,231	136,976
Treatment Related Costs		83,402	79,272	41,959	85,562	43,092
External Service Providers		195,119	219,001	-	195,119	-
Depreciation	11	20,892	23,110	9,972	19,761	9,396
Interest Expense		7,443	9,500	3,760	7,310	3,694
Other Expenses		54,244	49,856	27,289	50,477	24,427
TOTAL OPERATING EXPENSES		660,848	670,273	225,611	647,460	217,585
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL CHARGE		(5,451)	(737)	7,950	(5,686)	8,083
Capital Charge Expense		(16,192)	(19,281)	(8,064)	(16,192)	(8,064)
OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION	2	(21,643)	(20,018)	(114)	(21,878)	19
Tax (Expense)/ Benefit	3	50	-	(81)	-	-
OPERATING SURPLUS (DEFICIT) AFTER TAXATION		(21,593)	(20,018)	(195)	(21,878)	19
Share of Associate Co's Surplus before Tax		-	-	116	-	116
Taxation Benefits/(Expense)		-	-	(38)	-	(38)
Share of Associate Co's Surplus after Tax		-	-	78	-	78
Minority Interest Share of Surplus in Subsidiary		(30)	0	(10)	-	-
NET SURPLUS / (DEFICIT) FOR THE YEAR		**(21,623)**	**(20,018)**	**(127)**	**(21,878)**	**97**

This statement is to be read in conjunction with the Notes on pages 16 to 31 and the Audit Report on pages 85 to 86.

STATEMENT OF MOVEMENTS IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2002

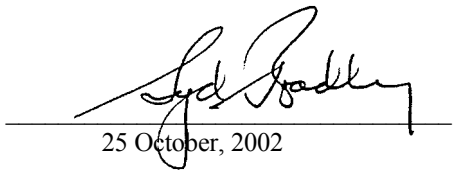
	Notes	Group			Parent	
		Actual 12mths to 30/06/02 $'000	Budget 12mths to 30/06/02 $'000	Actual 6 mths to 30/06/01 $'000	Actual 12 mths to 30/06/02 $'000	Actual 6 mths to 30/06/01 $'000
TOTAL EQUITY AT BEGINNING OF THE PERIOD:						
Equity excluding Minority Interest		156,546	157,185	-	156,455	-
Minority Interest		26	1	-	-	-
		156,572	157,186	-	156,455	-
TOTAL RECOGNISED REVENUES AND EXPENSES:						
Net surplus / (deficit) for the period		(21,623)	(20,018)	(127)	(21,878)	97
Attributable to Minority Interest		30	-	10	-	-
		(21,593)	(20,018)	(117)	(21,878)	97
OTHER MOVEMENTS						
Contribution from Crown	17	-	19,000	156,673	-	156,358
Minority Interest Introduced	17	-	-	16	-	-
		-	19,000	156,689	-	156,358
TOTAL EQUITY AT END OF THE PERIOD:						
Equity excluding Minority Interest		134,923	156,167	156,546	134,577	156,455
Minority Interest		56	1	26	-	-
		134,979	156,168	156,572	134,577	156,455

This statement is to be read in conjunction with the Notes on pages 16 to 31 and the Audit Report on pages 85 to 86.

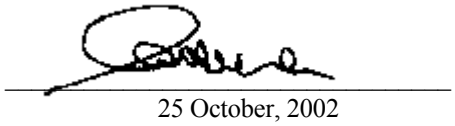
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

	Notes	Group			Parent	
		Actual as at 30/06/02 $'000	Budget as at 30/06/02 $'000	Actual as at 30/06/01 $'000	Actual as at 30/06/02 $'000	Actual as at 30/06/01 $'000
CROWN EQUITY						
General Funds	5	149,824	169,301	149,824	149,962	149,962
Revaluation Reserve	5	453	453	453	-	-
Retained Earnings	5	(22,534)	(20,018)	(496)	(22,268)	10
Trust Reserve	5	7,180	6,431	6,765	6,883	6,483
Minority Interest		56	1	26	-	-
TOTAL EQUITY		134,979	156,168	156,572	134,577	156,455
REPRESENTED BY:						
CURRENT ASSETS						
Cash & Bank		(3,635)	(10,781)	(8,249)	(4,531)	(9,193)
Receivables and Prepayments	4	52,596	52,690	52,216	51,364	51,131
Stocks	6	7,331	6,858	6,832	7,276	6,757
TOTAL CURRENT ASSETS		56,292	48,767	50,799	54,109	48,695
CURRENT LIABILITIES						
Creditors and Accruals		59,192	35,062	35,967	58,468	35,185
Owing to Crown		7,834	4,125	8,063	7,834	8,063
Staff Entitlements due within 1 year	7	28,661	34,654	24,713	27,996	23,827
Loans due within 1 year	9	27,568	27,667	220	27,468	220
TOTAL CURRENT LIABILITIES		123,255	101,508	68,963	121,766	67,295
NET WORKING CAPITAL		(66,963)	(52,741)	(18,164)	(67,657)	(18,600)
NON CURRENT ASSETS						
Investments	10	466	500	427	4,032	4,230
Fixed Assets	11	269,641	279,987	271,668	264,905	266,751
Surplus Property	11	7,450	7,450	7,450	7,350	7,350
Restricted Assets	8	7,180	6,431	6,765	6,883	6,483
TOTAL NON CURRENT ASSETS		284,737	294,368	286,310	283,170	284,814
NON CURRENT LIABILITIES						
Staff Entitlements due after 1 year	7	3,636	2,962	2,791	3,636	2,791
Provision for maintenance	21	210	-	90	-	-
Deferred Tax	3	69	53	45	-	-
Loans repayable after 1 year	9	78,880	82,444	108,648	77,300	106,968
TOTAL NON CURRENT LIABILITIES		82,795	85,459	111,574	80,936	109,759
NET ASSETS		134,979	156,168	156,572	134,577	156,455

For and on behalf of the Board



25 October, 2002



25 October, 2002

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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2002

	Notes	Group Actual 12mths to 30/06/02 $'000	Group Budget 12mths to 30/06/02 $'000	Group Last Year 6 mths to 30/06/01 $'000	Parent Actual 12 mths to 30/06/02 $'000	Parent Last Year 6 mths to 30/06/01 $'000
CASH FLOW FROM OPERATING ACTIVITIES						
Cash was provided from:						
Receipts from MoH		621,518	623,904	207,282	608,550	200,319
Other Receipts		30,191	30,717	21,181	29,519	19,837
Interest Received		565	516	125	717	298
		652,274	655,137	228,588	638,786	220,454
Cash was applied to:						
Payments to Employees		293,724	289,534	142,308	283,235	136,421
Payments to Suppliers		311,060	329,461	76,738	309,438	75,554
Interest Paid		7,322	9,500	3,849	7,187	3,773
Taxes Paid / (Refunded)		(1,094)	(1,200)	(7)	(1,200)	-
Capital Charge		16,356	19,281	4,023	16,356	4,023
GST (net)		(1,322)	-	262	(1,304)	139
		626,046	646,576	227,173	613,712	219,910
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	12	26,228	8,561	1,415	25,074	544
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Sale of Assets		579	-	7	579	7
Advances & Restricted Assets		-	-	-	-	294
		579	-	7	579	301
Cash was applied to:						
Advances & Restricted Assets		454	-	392	202	-
Purchase of Assets		19,319	31,097	17,120	18,369	16,594
		19,773	31,097	17,512	18,571	16,594
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(19,194)	(31,097)	(17,505)	(17,992)	(16,293)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from :						
Loans Raised		-	20,000	7,367	-	7,367
Cash vested from Canterbury Health Ltd		-	-	474	-	(811)
Equity contribution from the Crown		-	19,000	-	-	-
		-	39,000	7,841	-	6,556
Cash was applied to:						
Loans Repaid		2,420	19,000	-	2,420	-
		2,420	19,000	-	2,420	-
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(2,420)	20,000	7,841	(2,420)	6,556
Overall Increase/(Decrease) in Cash Held		4,614	(2,536)	(8,249)	4,662	(9,193)
Opening Cash Balance		(8,249)	(8,245)	-	(9,193)	-
CLOSING CASH BALANCE		(3,635)	(10,781)	(8,249)	(4,531)	(9,193)

This statement is to be read in conjunction with the Notes on pages 16 to 31 and the Audit Report on pages 85 to 86.

1. STATEMENT OF ACCOUNTING POLICIES

A. REPORTING ENTITY

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

The group consists of Canterbury DHB, its subsidiaries Burwood Rehabilitation Limited (100% owned), Canterbury Laundry Services Limited (100% owned), CLS Properties Limited (100% owned), Brackenridge Estate Limited (100% owned), Crown Public Health Limited (76.5% owned), and associated entities, New Zealand Centre for Reproductive Medicine Limited (50% owned), Heart Surgery South Island Limited (50% owned) and South Island Shared Services Agency Limited (47% owned).

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

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

B. MEASUREMENT BASE

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis.

C. ACCOUNTING POLICIES

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

i) Revenue from Contracts for Services

Revenue from contracts for services is recognised based upon the percentage of completion of the contract performance targets.

ii) Specific Purpose Grants and Specific Service Sales

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

iii) Fixed Assets

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

Fixed Assets acquired since the establishment of Canterbury DHB
Assets acquired by the DHB since its establishment, other than those vested from Canterbury Health Limited are recorded at cost. This includes all appropriate costs of acquisition and installation, including materials, labour, direct overheads, financing and transport costs.

iv) Depreciation

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

	Years
Freehold Buildings	50
Fitout Plant and Equipment	5 - 50
Plant and Equipment	5 - 12
Office Equipment	8 - 10
Furniture and Fittings	10
Computer Equipment and Software	2 - 5
Motor Vehicles	5

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

v) Goods and Services Tax

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

vi) Donated Assets

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

vii) Stocks

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

viii) Accounts Receivable

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

ix) Investments

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

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

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

x) Taxation

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

Canterbury DHB subsidiaries are subject to income tax, with the exception of Brackenridge Estate Ltd. Income tax expense is charged in the group statement of financial performance in respect of the subsidiaries current year's earnings after allowance for permanent differences.

Deferred taxation is determined on a comprehensive basis using the liability method.

Deferred tax assets attributable to timing differences or tax bases are only recognised where there is virtual certainty of realisation.

xi) Research and Development

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

xii) Foreign Currencies

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

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

xiii) Leased Assets

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

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

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

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

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

xiv) Finance Costs

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

xv) Provision for Staff Entitlements

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

xvi) Statement of Cash Flows

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

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

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

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

xvii) Donations and Bequests

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

xviii) Financial Instruments

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

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

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

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

xix) Basis of Consolidation

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

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

All significant inter-company transactions are eliminated on consolidation.

xx) Comparative Figures

Canterbury DHB was formed on 1 January 2001 and its previous financial period was six months ending 30/06/01. Comparative figures are shown for that period.
The Board's operations combine the functions of the predecessor Canterbury Health Ltd and some of the functions previously performed by the Health Funding Authority.

D CHANGE IN ACCOUNTING POLICIES

The accounting policies stated above have been consistently applied throughout the period and correspond to the accounting policies specified in the Statement of Intent at the beginning of the period. There were no significant accounting policy changes from the previous financial period.

2. NET OPERATING SURPLUS/(DEFICIT)

The net operating deficit is stated:	Group		Parent	
	12 mths to 30/06/02	6 mths to 30/06/01	12 mths to 30/06/02	6 mths to 30/06/01
After Charging:	$'000	$'000	$'000	$'000
Remuneration of Auditor:				
- Audit Fees	127	119	100	87
- Other Services	-	9	-	9
Board Members Fees	344	131	344	131
Directors' Fees	39	22	-	-
Interest Expense	7,443	3,760	7,310	3,694
Bad Debts Written Off	62	110	62	110
Increase/(Decrease) in Bad Debts Provision	811	(124)	812	(124)
Write-down of investments	-	-	474	437
Rental and Operating Lease Costs	3,826	2,069	2,571	1,409
After Crediting:				
Interest Received from Investments	565	125	717	298
Gain on Disposal of Assets	125	7	125	7

3. TAXATION

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

	Group	
	12 mths to 30/06/02	6 mths to 30/06/01
	$'000	$'000
Net Operating Surplus/(Deficit) before Taxation	(21,643)	(114)
Prima facie taxation @ 33%	(7,142)	(38)
Plus/(Less) tax effect of:		
Permanent Differences	7,185	106
Timing Differences not recognised	(90)	29
Underestimation of tax in previous year	(3)	(16)
Tax Expense / (Benefit)	(50)	81
Comprising:		
Current Tax	(74)	89
Deferred Tax	24	(8)
	(50)	81
Deferred Tax Liability		
Opening Balance	45	53
Current Year Movement	24	(8)
Closing Balance	69	45

Permanent differences are due to results of Parent and some subsidiaries not subject to income tax.
As at 30 June 2002, a deferred tax liability of $72,000 (tax asset of $255,000 at 30/6/2001) in subsidiaries has not been recognised because those timing differences are unlikely to crystallise in foreseeable future.
The tax effect of unrecognised timing differences is $24,000 ($84,000 at 30/6/2001).

4. RECEIVABLES AND PREPAYMENTS

	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Trade Debtors	11,647	8,478	10,472	7,408
Receivable from Crown	36,731	37,409	36,731	37,409
Other Debtors	3,201	3,500	3,159	3,123
Prepayments	1,017	786	1,002	761
Tax Receivable	-	1,190	-	1,200
Amount owing by Associate	-	853	-	1,230
	52,596	52,216	51,364	51,131

5. EQUITY

GENERAL FUNDS	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Opening Balance	149,824	-	149,962	-
Equity Vested from HHS	-	149,824	-	149,962
	149,824	149,824	149,962	149,962
RETAINED EARNINGS				
Opening Balance	(496)	-	10	-
Operating Surplus/(Deficit)	(21,623)	(127)	(21,878)	97
Transfers from/(to) Trust Reserve	(415)	(369)	(400)	(87)
Closing Balance	(22,534)	(496)	(22,268)	10
Represented by :				
Accumulated Deficit in Parent and Subsidiary	(22,612)	(574)	(22,346)	(68)
Accumulated Surplus in Associates	78	78	78	78
	(22,534)	(496)	(22,268)	10
REVALUATION RESERVE				
Opening Balance	453	453	-	-
Current Year Movement	-	-	-	-
Closing Balance	453	453	-	-
TRUST RESERVE				
Opening Balance	6,765	6,396	6,483	6,396
Transfers from/(to) Retained Earnings	415	369	400	87
Closing Balance	7,180	6,765	6,883	6,483

6. STOCKS

	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Pharmaceuticals	2,655	1,937	2,655	1,937
Surgical and Medical Supplies	3,569	3,703	3,569	3,703
Other Supplies	1,686	1,646	1,631	1,571
	7,910	7,286	7,855	7,211
Provision for Obsolescence	(579)	(454)	(579)	(454)
	7,331	6,832	7,276	6,757

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

7. STAFF ENTITLEMENTS

Staff Entitlements consist of:	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Provision for Gratuities	1,815	1,440	1,815	1,440
Provision for Long Service Leave	2,124	1,919	2,110	1,919
Annual Leave Accruals	17,432	13,251	16,822	12,531
Unpaid Days Accruals	3,241	7,474	3,026	7,474
ACC Accruals	2,229	660	2,189	660
Conference Leave Accruals	1,932	1,887	1,932	1,887
Other	14,654	10,772	14,619	10,606
	43,427	37,403	42,513	36,517
Less Due Within 1 Year:				
Provision for Gratuities	8	75	8	75
Provision for Long Service Leave	295	493	281	493
Annual Leave Accruals	17,432	13,251	16,822	12,531
Unpaid Days Accruals	3,241	7,474	3,026	7,474
ACC Accruals	2,229	660	2,189	660
Conference Leave Accruals	1,932	1,887	1,932	1,887
Other	14,654	10,772	14,619	10,606
	39,791	34,612	38,877	33,726
Included in Creditors and Accruals	11,130	9,899	10,881	9,899
Staff Entitlement Due Within 1 Year	28,661	24,713	27,996	23,827
Staff Entitlement Due After 1 Year	3,636	2,791	3,636	2,791

8. RESTRICTED ASSETS

Restricted assets are funds donated and bequeathed for specific purposes. At 30 June 2002, the amount of funds received where the conditions attached have not been fulfilled is $7,180,000 ($6,765,000 at 30/06/01).

This is represented by:	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Cash at Bank	247	210	247	210
Term Deposits	4,488	3,284	4,191	3,002
Local Authorities & Government Stocks	958	1,801	958	1,501
Quoted Shares	55	185	55	185
Bonds & Stocks	1,432	1,285	1,432	1,585
Total Restricted Assets	7,180	6,765	6,883	6,483

9. LOANS

Loans consist of:	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Commercial Loans	106,448	108,700	104,768	107,020
Finance Lease	-	168	-	168
	106,448	108,868	104,768	107,188
Repayable as follows:				
Due Within 1 Year	27,568	220	27,468	220
One to Two Years	36,580	29,148	35,000	27,468
Two to Seven Years	42,300	79,500	42,300	79,500
	106,448	108,868	104,768	107,188

Security

Commercial loans are secured by Deed of Negative Pledge.

The finance lease is secured over the plant and equipment purchased under the lease.

Interest Rates

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

	30/06/02	30/06/01	30/06/02	30/06/01
Commercial Loans	7.27%	7.66%	7.26%	7.66%
Finance Lease	7.00%	7.00%	7.00%	7.00%
Bank Overdraft	7.20%	7.35%	7.20%	7.63%

10. INVESTMENTS

	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Investment in Associates	466	395	466	395
Investment in Subsidiaries	-	-	3,566	3,803
Other Investments	-	32	-	32
	466	427	4,032	4,230

INVESTMENT IN ASSOCIATES

	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Share of Associates Equity Brought Forward	170	92	170	92
Share of Associates Operating Surplus	-	78	-	78
Share of Associates Equity Carried Forward	170	170	170	170
Advances	296	225	296	225
	466	395	466	395

At 30 June 2002, Associate Companies comprised:

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

New Zealand Centre for Reproductive Medicine Limited provides reproductive medicine services to private patients. South Island Shared Services Agency Limited provides support services for contracting, contract monitoring and provider audits to DHBs for their Funding arm. Heart Surgery South Island Limited provided heart surgery for which Canterbury DHB invoiced facility fees. This company is no longer a going concern following the allocation of the Ministry of Health contract directly to participating DHBs from 1 July 2002.

INVESTMENT IN SUBSIDIARIES

	Parent	
	30/06/02 $'000	30/06/01 $'000
Equity - Burwood Rehabilitation Limited	542	517
Equity - CLS Properties Limited	515	515
Equity - Canterbury Laundry Services Limited	393	393
Equity - Crown Public Health Limited	1	1
Advances - Canterbury Laundry Services Limited	2,115	2,030
Advances - Brackenridge Estate Limited	-	347
	3,566	3,803

At 30 June 2002 subsidiary companies comprise:

	Percentage Interest	Balance Date
Burwood Rehabilitation Limited	100	30 June
CLS Properties Limited	100	30 June
Canterbury Laundry Services Limited	100	30 June
Brackenridge Estate Limited	100	30 June
Crown Public Health Limited	76.5	30 June

Canterbury Laundry Services Limited provides laundry services. CLS Properties Limited is an investment company holding land and building that it leases to Canterbury Laundry Services Limited. Burwood Rehabilitation Limited has a 60% share in the surplus of Burwood Orthopaedic Surgical Services, a partnership which performs orthopaedic surgery for ACC and work related insurers at Burwood Hospital. Crown Public Health provides public health initiatives involving education and dissemination of information in preventative health. Brackenridge Estate Limited provides residential accommodation and ongoing care for intellectually disabled persons.

11. FIXED ASSETS

	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
At Cost				
Freehold land	20,824	20,824	20,824	20,824
Freehold buildings	96,173	97,184	96,173	97,184
Fitout plant and equipment	125,276	121,547	124,813	121,547
Plant and equipment	38,166	33,379	32,638	27,590
Computer equipment and software	22,135	21,277	22,094	21,277
Motor vehicles	1,434	1,310	1,334	1,192
Capital work-in-progress	19,383	9,743	19,375	9,703
At Valuation				
Freehold land	26,313	26,352	25,821	25,859
Freehold buildings	1,718	1,718	-	-
Fitout plant and equipment	82	82	-	-
Plant and equipment	22,985	22,999	22,985	22,999
	374,489	356,415	366,057	348,175
Accumulated Depreciation				
Freehold buildings	14,712	12,452	14,507	12,300
Fitout plant and equipment	39,458	32,185	39,227	32,171
Plant and equipment	22,227	15,691	19,146	12,704
Computer equipment and software	20,083	16,429	20,052	16,429
Motor vehicles	918	540	870	470
	97,398	77,297	93,802	74,074
Net Book Value				
Freehold land	47,137	47,176	46,645	46,683
Freehold buildings	83,179	86,450	81,666	84,884
Fitout plant and equipment	85,900	89,444	85,586	89,376
Plant and equipment	38,924	40,687	36,477	37,885
Computer equipment and software	2,052	4,848	2,043	4,848
Motor vehicles	516	770	464	722
Capital work-in-progress	19,383	9,743	19,374	9,703
Reclassify to Surplus Property	(7,450)	(7,450)	(7,350)	(7,350)
	269,641	271,668	264,905	266,751

	Group		Parent	
	12 mths to 30/06/02 $'000	6 mths to 30/06/01 $'000	12 mths to 30/06/02 $'000	6 mths to 30/06/01 $'000
Depreciation charged during the year:				
Freehold buildings	2,269	1,081	2,212	1,024
Fitout plant and equipment	7,103	2,834	7,057	2,783
Plant and equipment	7,465	3,251	6,464	2,810
Computer equipment and software	3,644	2,643	3,629	2,628
Motor vehicles	411	163	399	151
	20,892	9,972	19,761	9,396

Freehold land and plant and equipment disclosed at valuation were transferred from Canterbury Health Limited. They have not yet been revalued by Canterbury DHB.

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

Canterbury DHB owns land which it has allowed a third party to construct a car park on. In lieu of rental foregone, the car park building will belong to Canterbury DHB in 18 years time. This interest has not been included in the Statement of Financial Position.

The fair value of ex-Canterbury Health Limited land and buildings (including infrastructure plant and fittings) based on an independent valuation by Robertson Young Telfer on 30 June 1998 is $229,762,000 and the fair value of ex-Healthlink South Limited land and buildings based on an independent valuation by Telfer Young on 1 October 2000 is $78,100,000.

12. RECONCILIATION OF RESULT AFTER TAX WITH NET CASHFLOW FROM OPERATING ACTIVITIES

	Group		Parent	
	12 mths to 30/06/02 $'000	6 mths to 30/06/01 $'000	12 mths to 30/06/02 $'000	6 mths to 30/06/01 $'000
Net Operating Surplus before Share of Associate Co's Surplus	(21,593)	(195)	(21,878)	19
Add Back Non-Cash Items:				
Depreciation	20,892	9,972	19,761	9,396
Maintenance provision	120	90	-	-
Add Back Items Classified as Investing Activity:				
Gain on Asset Sale	(125)	(7)	(125)	(7)
	(706)	9,860	(2,242)	9,408
Movement in Term Portion Staff Entitlement	845	(171)	845	(171)
Movement in Deferred Tax	24	(8)	-	-
Movements in Working Capital:				
Decrease/ (Incr.) in Receivables & Prepayments	(380)	(3,791)	(233)	(4,153)
Decrease/ (Incr.) in Stocks	(499)	351	(519)	340
Increase/ (Decr.) in Creditors & Other Accruals	23,225	(9,361)	23,283	(9,130)
Increase/ (Decr.) in Capital Charge due to Crown	(229)	4,041	(229)	4,041
Increase/ (Decr.) in Staff Entitlements	3,948	494	4,169	726
Less: Items in Creditors relating to investing Activities	-	-	-	(517)
NET CASH IN/(OUT)FLOW FROM OPERATING ACTIVITIES	26,228	1,415	25,074	544

13. COMMITMENTS

	Group		Parent	
	30/06/02 $'000	30/06/01 $'000	30/06/02 $'000	30/06/01 $'000
CAPITAL COMMITMENTS				
Committed at Balance Date	92,739	18,701	92,739	20,150

Capital commitments include amounts approved by the Board but where contracts may not have been signed or purchase orders issued. The highest value individual project is the new building for Christchurch Women's Hospital for which a total of $78million capital funding has been approved.

NON CANCELLABLE OPERATING LEASE COMMITMENTS				
Accommodation Lease	7,408	8,708	3,650	3,299
Computer Leases	489	446	197	323
Vehicle Leases	630	786	379	572
Other	14	-	-	-
	8,541	9,940	4,226	4,194
For Expenditure Within:				
1 Year	2,331	2,929	1,216	1,461
2 Years	1,422	1,817	829	679
3 Years and Beyond	4,788	5,194	2,181	2,054
	8,541	9,940	4,226	4,194

14. TRANSACTIONS WITH RELATED PARTIES

a) GOVERNMENT FUNDING

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

b) INTER-GROUP TRANSACTIONS

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

	Group		Parent	
	12 mths to 30/06/02 $'000	6 mths to 30/06/01 $'000	12 mths to 30/06/02 $'000	6 mths to 30/06/01 $'000
Revenue				
Facility fees from Heart Surgery South Island Ltd	4,058	2,682	4,058	2,682
Interest on advance and director's fees from Canterbury Laundry Services Limited	-	-	151	114
Interest on advance and service fees from Brackenridge Estate Limited	-	-	111	34
Fees from Burwood Rehabilitation Limited	-	-	1,514	703
Services to Crown Public Health Limited	-	-	520	303
Services to New Zealand Centre for Reproductive Medicine Ltd and interest on advance	68	-	68	-

Expenses				
Linen services and rentals from Canterbury Laundry Services Limited	-	-	3,413	1,852
Services from New Zealand Centre for Reproductive Medicine Ltd	1,314	-	1,314	-
Services from South Island Shared Services Agency Ltd	587	69	587	69

Interest charged on advances (refer Note 10) to Canterbury Laundry Services Limited, New Zealand Centre for Reproductive Medicine Ltd and Brackenridge Estate Limited are at normal borrowing rates. Other balances are at normal trading terms.

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

	Group		Parent	
	30/06/02 $'000	30/06/01 $'000	30/06/02 $'000	30/06/01 $'000
Amount Payable owing to associates				
South Island Shared Services Agency Ltd	-	77	-	77
NZ Centre for Reproductive Medicine Ltd	250	-	250	-
Burwood Orthopaedic Surgical Services	300	24	300	24
Amount Receivable owing by associates				
South Island Shared Services Agency Ltd	416	158	416	158
Heart Surgery South Island Limited	978	1,230	978	1,230
NZ Centre for Reproductive Medicine Ltd	102	89	102	89
Amount Payable owing to subsidiaries				
Canterbury Laundry Services Ltd	-	-	249	-
Burwood Rehabilitation Ltd	-	-	266	301
Amount Receivable owing by subsidiaries				
Canterbury Laundry Services Ltd – Debtor	-	-	14	40
Canterbury Laundry Services Ltd – Advance	-	-	2,130	2,030
Brackenridge Estate Ltd – Advance	-	-	999	784

c) BOARD AND COMMITTEE MEMBERS

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

	Group 30/06/02 $'000	**Parent** 30/06/02 $'000
Christchurch City Council	609	539
Pegasus Health (payments for 2001/02 as final amount subject to contract washup)	74,187	74,187
New Zealand Post Ltd	635	598
The Christchurch City Mission	375	375
Canterbury Asthma Society Inc	35	35
Breath Testing Services	128	128
New Zealand Housing Corporation	470	-
Pacific Trust Canterbury	595	595
Ryman Healthcare Ltd	54	54
South Canterbury DHB	3	3

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

	Group 30/06/02 $'000	Parent 30/06/02 $'000
Christchurch City Council	14	-
South Canterbury DHB	91	13
Champion Centre	5	5

15. CAPITAL CHARGE

The DHB incurs a monthly capital charge from the Crown based on the greater of its actual or budgeted closing equity balance for the month. The capital charge rate for the period ended 30 June 2002 was 11% (11.0% for six months to 30/06/01).

16. FINANCIAL INSTRUMENTS

CREDIT RISK

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

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

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Ministry of Health. However, the Ministry of Health is a high credit quality entity, being the Government funded purchaser of health and disability support services. As at 30 June 2002, the Ministry of Health owed Canterbury DHB $36.8 million ($37.4 million at 30/06/01).

CURRENCY RISK

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

There are no foreign exchange instruments outstanding at 30 June 2002 (30/6/2001 nil).

INTEREST RATE RISK

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

There are no interest rates swaps outstanding at 30 June 2002 (30/6/2001 $25 million).

FAIR VALUES OF FINANCIAL INSTRUMENTS

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

17. VESTING OF ASSETS

Canterbury DHB was established on 1 January 2001 under the New Zealand Public Health and Disability Act 2000. On that date, the assets and liabilities of Canterbury Health Limited were vested in Canterbury DHB at their carrying values as recorded in the books of the Hospital and Health Service. The net value of the assets vested is recognised as a capital contribution by the Crown, the owner of both Canterbury DHB and Canterbury Health Limited.

18. SEGMENTAL REPORTING

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

19. CONTINGENT LIABILITIES

The Group has outstanding legal proceedings and disputes with third parties. The Group disputes these claims and believes that it is unlikely any material loss will eventuate (30/6/2001 nil).

20. RESIDENTS ' TRUST ACCOUNT

	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Resident Trust Account Balance	582	572	349	399

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

21. PROVISIONS

	Group		Parent	
	As at 30/06/02 $'000	As at 30/06/01 $'000	As at 30/06/02 $'000	As at 30/06/01 $'000
Maintenance Provision				
Opening balance	90	-	-	-
Additional provision made during the year	120	90	-	-
Charged against provision for the year	-	-	-	-
Closing balance	210	90	-	-

The provision arises from an obligation under a lease agreement with a landlord to redecorate premises at 5 yearly intervals. The cost of this is accrued on an annual basis.

22. SUBSEQUENT EVENTS

CLS Properties Ltd will be statutorily wound up in financial year 02/03 following the transfer of its assets and liabilities to Canterbury DHB.

Crown Public Health Ltd will be statutorily wound up in financial year 02/03 following the transfer of its assets and liabilities to Canterbury DHB.

Heart Surgery South Island Ltd provided services under a Ministry of Health contract. That contract has been awarded by the Ministry of Health directly to participating DHBs as from 1st July 2002. Heart Surgery South Island Ltd will be statutorily wound up in near future.

There were no other events after 30 June 2002 which could have a material impact on the information in Canterbury DHB financial statements.

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Statement of Service Performance 2001/02

The provision of a Statement of Service Performance is a new requirement for the DHB, with the establishment of appropriate measures being at an evolutionary stage. CDHB intends to further develop measures that are appropriate to the needs of our stakeholders within Parliament and the community. These measures and associated performance targets will be reflected in future Statements of Intent and reported in subsequent Statements of Service Performance.

The aim of the Statement of Intent is to demonstrate how the DHB's activities impact on the DHB's primary objective of "improving the health and wellbeing of people living in Canterbury". Measures established in the 2001-2004 Statement of Intent were defined prior to the completion of the Canterbury DHB Strategic Plan. To this end, this performance overview is presented in two sections:

- An overview of the outcomes from the strategic planning process.
- An overview of CDHB's performance against the core strategic directions for the 2001/02 year. This includes a selection of relevant indicators from the Statement of Intent 2001-2004 and additional indicators that are considered to be of interest to the Public and Parliament. These performance indicators are presented under the relevant core strategic directions.

A table containing performance statements against the measures and objective specified within the Statement of Intent 2001-2004 is included.

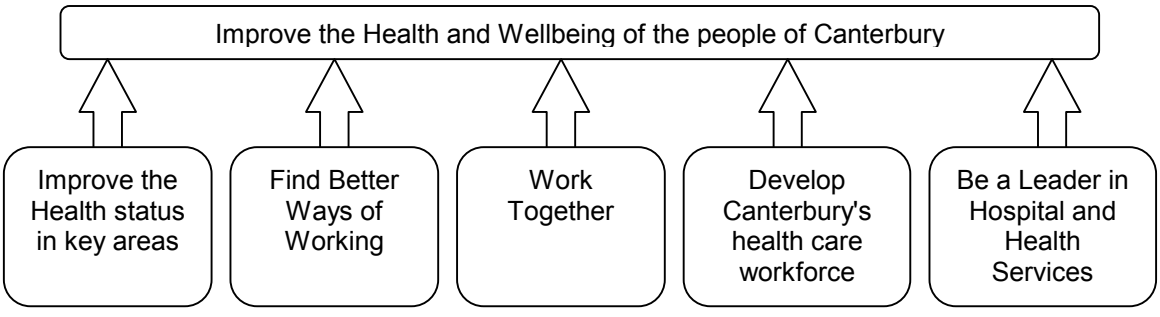
1. Strategic Planning Overview

A key outcome for CDHB during the 2001/02 year, has been the development of our strategic direction which identifies how the DHB will work over the coming years towards "Improving the Health and Wellbeing of People Living in Canterbury".

The development of the Strategic Plan reflects the first major community consultation undertaken by the DHB. Consultation on the draft plan included 47 meetings, of which 12 were public and the balance with key stakeholder groups. As a result of this community consultation the final Strategic Plan approved by the Board included priority areas as Child and Youth Health, Primary Health, Maori Health, Disease Prevention and Management [Cardiovascular (Heart) Disease, Diabetes Cancer]. Cancer and Mental Health Services were added as a result of the consultation process.

To achieve CDHB's primary objective to improve the health and well being of people living in Canterbury, the DHB intends to focus on achieving improved outcomes in these priority areas via the five core direction intervention areas:

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



2. Key 2001/02 Statement of Intent Performance Indicators.

The following indicators reflect those performance measures specified in the 2001/02 Statement of Intent which are considered the most important in terms of the DHBs strategic direction.

Objective:	***Brief Description:***
Improve the health outcomes for specific groups in our community	Within the Canterbury region: • There are a number of population groups who have lower health status than the general population of Canterbury • Likewise there are a number of chronic diseases which impact significantly on the health status of Canterbury people • The health of our Children and Young people is similar to other regions in New Zealand, however it is not as good, or improving as fast, as the health of children in other developed countries (No associated performance report for 2001/02) Interventions focused on improving the services and the way health care is provided to these groups should result over time in improvements to the health status of the people of Canterbury. Activities undertaken during the 2001/02 year have focused on understanding the current issues and developing plans that define what we should do to achieve the long term outcomes.

Target area: *Population Groups*			
Target - Outcomes	***Output 2001/02***	***Performance Measure***	***Results***
Improved health status of Canterbury's Maori Residents (Long Term)*	Produce a Maori Health Plan which identifies the appropriate actions the DHB should take to achieve the desired outcome (Short Term)	Development of a comprehensive Maori Plan.	The CDHB Maori Health Plan 2002-06 has been written to align with the CDHB strategic plan as well as *He Korowai Oranga,* the national Maori Health Strategy. This plan has been developed with local Maori and has under gone significant consultation. Local Maori and the CDHB Board have endorsed this plan. Implementation of this plan will be ongoing. Processes and progress will be reviewed annually against the established project milestones and accountabilities. Performance against this plan will be reported in future annual reports. A copy of this plan is available on request.
Improved health status of Canterbury's Pacific Island Residents (Long Term)*	Produce a Pacific Health Plan which identifies the appropriate actions the DHB should take to achieve the desired outcome (Short Term)	Development of a comprehensive Pacific Plan.	The CDHB Pacific Health Action Plan has been written to align with the CDHB strategic plan as well as the national Pacific Health & Disability Action Plan. This local action plan has been developed with input from the Pacific Island community and the Ministry of Pacific Island Affairs. The CDHB Board has endorsed this plan. Implementation of this plan will be ongoing. Performance against this plan will be reported in future annual reports. A copy of this plan is available on request.

*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

Objective:	***Brief Description:***
Find better ways of working, to get the maximum improvement in health status for our community within the available funds.	Funding for health services will always be limited. The CDHB must therefore constantly seek better ways of working to get the maximum improvement in health status for our community within the available funding. A number of key areas to improve the way we work have been identified within the strategic plan. These can be broadly grouped into a number of intermediate outcome areas, namely: • Efficiency Gains, to improve the services that can be provided within the available funding (No associated performance report for 2001/02) • Keeping people healthy via the adoption of a "Wellness" strategy to keep people healthy. This would include addressing issues such as improving access to primary care services and disease prevention.

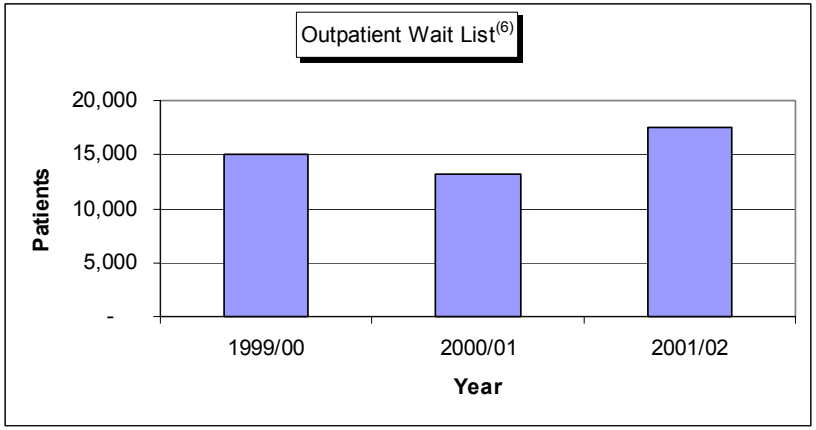
Target area: *Keeping People Healthy*			
Target - Outcomes	***Output 2001/02***	***Performance Measures***	***Results***
Improved access to, and quality of primary health care for Rural Canterbury Residents (Long Term)*	Develop a Rural Health Strategy which covers improving access to services, quality of service and workforce planning (Short Term)	Development of a comprehensive Rural Health Plan.	The CDHB Rural Health Plan has been written to align with the CDHB strategic plan and the national Primary Care Strategy. This plan has been developed with input from the rural local bodies, rural practitioners and rural health advocates. The CDHB Board has endorsed this plan. Implementation of this plan will be ongoing. Performance against this plan will be reported in future annual reports. A copy of this plan is available on request.

*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

Objective:	***Brief Description:***
Work together - to ensure the right service is provided at the right time to obtain the maximum possible health gains for our community.	Work together to ensure the right service is provided at the right time to ensure the maximum possible health gains are made for our community. To improve the way we work together CDHB believes that interventions are required in four broad areas: • Information, to ensure that health care providers' have access to appropriate information to support the provision of services. (No associated performance report for 2001/02) • Integration of services to provide a clear continuum of care. • Communicate and consult with our community and patients about health issues and developments and access to services. (See Strategic Plan overview) • Elective Services.

Target area: *Integration of Services*			
Target - Outcomes	***Output 2001/02***	***Performance Measures***	***Results***
Improved coordination and integration to ensure the provision of a seamless services to the elderly (Long Term)*	Continue to support the Elder Care Canterbury project in its objective of integrating and improving health services for older people. (Short Term)*	Establish infrastructure to support projects within the DHB. Evaluate existing projects.*	The key results in establishing the required infrastructure has been: • Employment of a project facilitator • Development of a new model in the form of a project forum to enhance community involvement in the project • The successful pilot of the Coordinator of Services for the Elderly (COSE). This is an excellent integration project, which moves coordination of services from the hospital setting to the community by attaching COSEs to GP practices. It has been extremely well received by all involved.
	Develop the role of lead DHB with regard to defining and implementing the integrated continuum of care and the proposed devolution of age-related disability support services funding to the DHBs. (Short Term)*	Establish infrastructure to support the devolvement of funding for older person's health services from the MoH.*	The key results in establishing the required infrastructure to support devolution of funding have been: • Employment of a project manager • The establishment of a steering group representing a broad spectrum of the sector to guide the project and assist the DHB to achieve its aims • Assisting the Ministry of Health, in conjunction with Northland DHB, to develop capability criteria for all DHBs to ensure they are able to manage the devolved funding • Work on defining the integrated continuum of care, identified gaps and barriers to implementing the continuum and identified solutions.

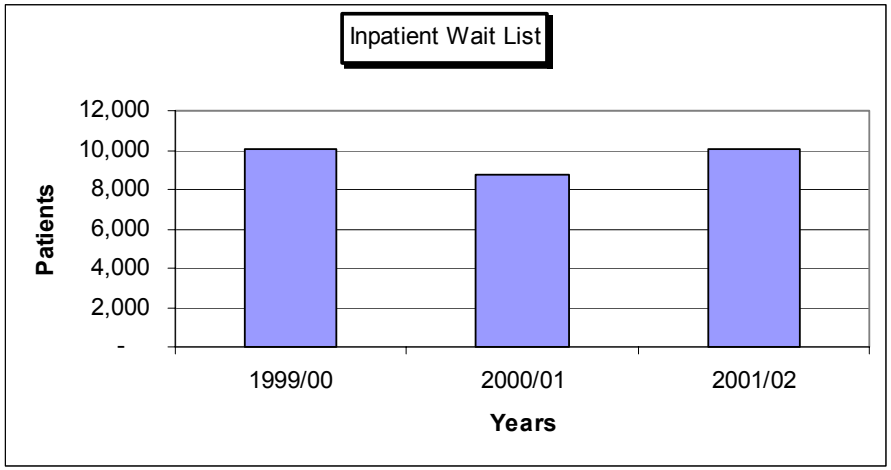
*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

<table>
<tr><td colspan="4">Target area: Elective Services</td></tr>
<tr><td>Target - Outcomes</td><td>Output 2001/02</td><td>Performance Measures</td><td>Results</td></tr>
<tr><td rowspan="2">Reduced waiting lists for first specialist assessments to a level where all appropriately referred patients can be assessed within appropriate timeframes. (Medium Term)*</td><td rowspan="2">Improve access to first specialist assessments. (Medium Term)*</td><td>100% of patients receive their first specialist appointment within six months</td><td>CDHB has continued to seek to achieve this level of performance. To date this has not however been achieved. Of the new patients seen during the year, 90% were seen within 6 months. At the end of the year there were some 6,943 patients who we had not seen who had waited longer than 6 months. This reflects approximately 2¼-months work at current activity levels.
A number of specialities performed near[1] this target, namely Cardiology, Diabetes Endocrinology, Infectious Diseases, Paediatric Medicine, Paediatric Surgery, Renal Medicine, Thoracic Surgery, Haematology, Neurosurgery, Oncology and Vascular Surgery. Specialities not performing at this target include Dermatology, Endoscopy, Otolaryngology, Gastroenterology, General Medicine, General Surgery, Gynaecology, Neurology, Ophthalmology, Orthopaedics, Pain Management, Plastics, Respiratory, Rheumatology and Urology..</td></tr>
<tr><td colspan="2"> 
</td></tr>
</table>

[1] Near target is defined as >95% of patients seen within 6 months and the number waiting longer than 6 months at the end of the period being <4% of annual throughput which is equivalent to 2 weeks activity

[6] Outpatient Waiting List excludes endoscopies

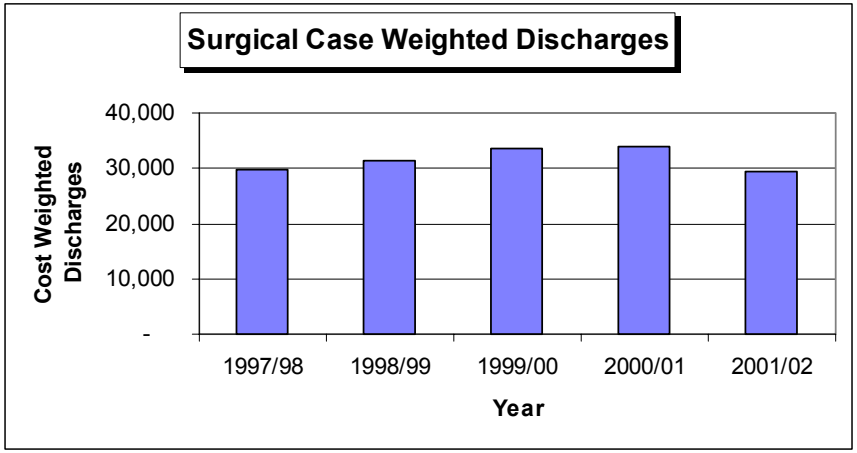
*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

<table>
<tr><td colspan="4">Target area: Elective Services</td></tr>
<tr><td>Target - Outcomes</td><td>Output 2001/02</td><td>Performance Measures</td><td>Results</td></tr>
<tr><td rowspan="2">Provide patients with certainty that they will receive/not receive access to publicly funded inpatient surgery. Provide timely access for those offered surgery. (Medium Term)*</td><td rowspan="2">Reduce waiting times for those patients offered publicly funded inpatient surgery (Medium Term)*</td><td>100% of patients receive publicly funded surgery within six months</td><td>CDHB provides patients with two levels of certainty for publicly funded treatment, namely, “definite” cases, who are offered certainty of treatment within 6 months and “probable” cases who are considered likely to receive publicly funded treatment within 12 months.
Quarterly performance for those patients provided certainty of treatment within 6 months varied from 91% to 97% of patients receiving treatment within 6 months.
Quarterly performance for those patients who were considered likely to receive treatment within 12 months has also varied. In quarter 2, 70% of these patients received treatment with the 6-month target wait time, in quarter 3, 68%, while in quarter 4 only 33% received treatment within the 6-month target. [2] The first quarter was not reported. This lower than planned performance has in part resulted from the industrial action.</td></tr>
<tr><td colspan="2"> 
</td></tr>
</table>

[2] Noted that these statistics do not include Christchurch Women’s Hospital due to information issues that prevent these measures from being calculated.

*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

<table>
<tr><td colspan="4">Target area: Elective Services</td></tr>
<tr><td>Target - Outcomes</td><td>Output 2001/02</td><td>Performance Measures</td><td>Results</td></tr>
<tr><td rowspan="2">Delivery of a level of publicly funded service which is sufficient to ensure access to elective surgery before patients reach a state of unreasonable distress, ill health or incapacity (Long Term)</td><td rowspan="2">Deliver the level of inpatient surgery funded by the Ministry of Health. (Short Term)*

(Note – this output has been used as proxy for this outcome)</td><td>100% of Ministry of Health funded surgical volumes are delivered.*</td><td>Surgical case-weighted volumes (discharges) delivered during the 2001/02 year were below the target level of delivery.
Otolaryngology has delivered its funded case-weighted volumes. Ophthalmology and Dental have delivered near their funded case-weighted volumes. The remaining specialities have under delivered against the funded case-weighted volumes by the following percentages:
General Surgery 7%
Cardiothoracic 49%
Gynaecology 11%
Neurosurgery 7%
Orthopaedic 19%
Paediatric Surgery 16%
Plastic & Burns 9%
Urology 7%
This lower than planned performance has in part resulted from the industrial action and shortages of Anaesthetists and Anaesthetic Technicians.</td></tr>
<tr><td colspan="2"> 
</td></tr>
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*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

Objective:	***Brief Description:***
Develop Canterbury's health care workforce - to ensure that we have the appropriate workforce to meet the health needs of the people of Canterbury.	To ensure that Canterbury's health workforce contributes to the health of the people of Canterbury to the maximum extent, CDHB believes that supporting the development of the health care workforce will result in improvements to the health status of the people of Canterbury. Two key areas of intervention have been identified: • Improving the relationships within the DHB to ensure we are working together to achieve common objectives. • Workforce development to support improvements in the services provided, particularly in relation to services provided to those Maori and Pacific Island communities (these areas are under development as components of the Maori and Pacific Health Plans).

Target area*: Improving Relationships*			
Target - Outcomes	***Output 2001/02***	***Performance Measures***	***Results***
Being a good employer will ensure that Canterbury DHB provides a safe working environment, equal opportunities, culturally sensitive work place and upholds a commitment to good faith bargaining (Medium Term)	Initiate systems and processes to promote a good working environment which encourages a management style that is more open, inclusive and transparent and that fosters a true partnership between staff, and between staff and management (Medium Term)	Develop a strategy to meet DHB good employer obligations that promotes a good working environment and encourages a management style that is more open, inclusive and transparent and that fosters a true partnership between staff, and between staff and management	Various strategies and systems/processes have been implemented, but further initiatives can be developed. To date: • A Culture survey has been undertaken across the organisation. This will assist in further identifying initiatives. • Development of a cluster structure at Christchurch Hospital to facilitate greater involvement at all levels across all medical disciplines. • Harassment and bullying policy and training implemented to assist in providing a better working environment. • Management leadership training in place. Policies and approaches are under development to provide for greater involvement of Maori and Pacific Island people in the CDHB workforce.

*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

Objective:	*Brief Description:*
Be a leader in Hospital and Health Services - to ensure the best possible level of care is provided to maximise the health outcomes for the people of Canterbury.	Being a leader in Hospital and Health Services to ensure the best possible care is provided to maximise the health outcomes for the people of Canterbury. Three key areas of intervention have been identified: • Quality • Regional Centre (no associated performance report for 2001/02) • Teaching Research (no associated performance report for 2001/02)

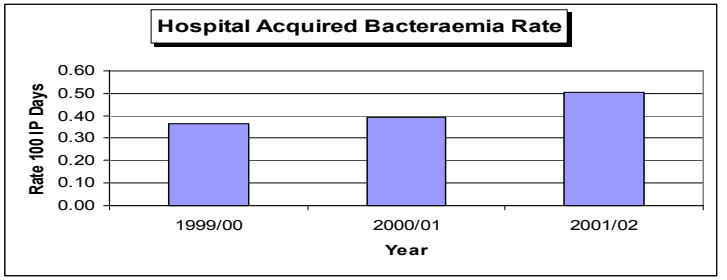
Target area: *Quality*			
Target Outcomes	***Output 2001/02***	***Performance Measures***	***Results***
Achieve and maintain Quality Health New Zealand Accreditation for all DHB Hospitals (Long term)*	Maintain accreditation at Ashburton, Akaroa, Waikari, Darfield, Burwood and Christchurch Women's Hospitals.*	Maintain existing accreditation status.*	Ashburton, Akaroa, Waikari, Darfield, Burwood and Christchurch Women's Hospitals are accredited with Quality Health New Zealand. During the 2001/02 year, Ashburton Hospital underwent survey by independent auditors resulting in accreditation being reconfirmed.
	Initiate accreditation process for Christchurch, Kaikoura, and Oxford Hospitals along with the Mental Health and Older Persons Health Services.*	Initiate accreditation process.*	During the 2001/02-year, Christchurch, Kaikoura, and Oxford Hospitals along with the Mental Health and Older Persons Health Services entered the accreditation programme. Entering the programme required each hospital/service to establish processes and documentation that meets the requirements of the standard. Dates for accreditation surveys have not been established.
Maintain Accreditation of Support Services with International Accreditation New Zealand. (Laboratory accreditation to ISO15189 Quality Management in Medical Laboratories. Others ISO9000 series quality standards)*	Maintain accreditation for CDHB's Laboratories, Technical Services, Physiotherapy (Christchurch Hospital) and Medical Physics and Bio-engineering.*	Maintain existing accreditation status.*	During the 2001/02-year CDHB's Laboratories, Technical Services, Physiotherapy (Christchurch Hospital) and Medical Physics and Bio-engineering Services were re-surveyed to reconfirm accreditation. Accreditation was confirmed for each service

*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

<table>
<tr><td colspan="4">Target area: Quality</td></tr>
<tr><td>Target Outcomes</td><td>Output 2001/02</td><td>Performance Measures</td><td>Results</td></tr>
<tr><td rowspan="2">Maintain appropriate levels of Clinical Quality within CDHB Hospitals.*</td><td rowspan="2">Operate an effective incident reporting mechanism to monitor clinical quality.*</td><td>Patient Falls Rate[3]

(Note: Performance targets were not specified in SOI)*</td><td>Rate per 1,000 Inpatient Bed days.
<table><tr><td>1999/2000</td><td>2000/2001</td><td>2001/2002</td></tr><tr><td>3.73</td><td>3.60</td><td>3.84</td></tr></table>The inpatient fall rates have remained relatively unchanged over this 3 year period. Initiatives are planned to further reduce this rate.</td></tr>
<tr><td>IV Medication Errors[4]

(Note: Performance targets were not specified in SOI)*</td><td>Medication Errors Rate per 1,000 Inpatient Bed days
<table><tr><td>1999/2000</td><td>2000/2001</td><td>2001/2002</td></tr><tr><td>1.12</td><td>1.38</td><td>1.17</td></tr></table>The medication error rates have remained relatively unchanged over this 3 year period.</td></tr>
<tr><td></td><td></td><td>Hospital Acquired Bacteraemia Rate[5].*

(Note: Performance targets were not specified in SOI)</td><td> 

The rate is increasing and initiatives are being developed to reduce this rate.</td></tr>
</table>

[3] Note: Patient Fall rates reflect Christchurch, Burwood and Ashburton Hospitals only. Data was not available for the other DHB Hospitals.
[4] Note: IV Medication Error rates reflect Christchurch, Burwood and Ashburton Hospitals only. Data was not available for the other DHB Hospitals.
[5] Note: Hospital Acquired Bacteraemia rates reflect Christchurch, Burwood and Ashburton Hospitals only. Data was not available for the other DHB Hospitals.

*Target Outcomes, Outputs or Performance Measures not in the Statement of Intent

3. Summary of Revenues and Expenses by Output Class

	Funding $'000	Governance & Funding Admin $'000	Provider $'000	In House Elimination $'000	Total DHB $'000
Revenue					
MoH revenue	588,072	2,633	425,326	(392,953)	623,078
Patient Related Revenue			22,611		22,611
Other			9,708		9,708
Total Revenue	588,072	2,633	457,645	(392,953)	655,397
Expenditure					
Personnel		1,711	298,037		299,748
Depreciation			20,892		20,892
Interest & Capital Charge			23,635		23,635
Other	588,072	922	136,724	(392,953)	332,765
Total Expenditure	588,072	2,633	479,288	(392,953)	677,040
Net Surplus/(Deficit)	-	-	(21,643)	-	(21,643)

Statement of Service Performance

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Advisory committees to provide policy & governance advice to the Board to better reflect needs of community	Appropriate process & structur in place to support committee meetings	Meetings to take place regularly and committee recommendations referred to Board	Yes	Regular meetings held (9 public meetings in 2001/02). Joint Board and community representation established. Minutes and Agendas available on internet website.
Reference groups to provide advocacy and input into Strategic Plan to better reflect needs of community	Reference group to be established and meetings held	Meetings Reference groups held and reported back to Committees	Yes	Reference group public meetings (6) held in Christchurch and Ashburton. Other groups (42) held as part of public consultation process for the District Strategic Plan. This requirement was fulfilled for 2001-02. We are currently reviewing how we engage with groups to achieve better targeting for information and therefore more informed advice to the Board.
Improving integration of health care services to ensure better health outcomes and improve the wellness of the Canterbury community	Policy and procedures put in place to facilitate better integration between health providers, consumers and other agencies influencing health outcome	Continue and improve on existing integration projects Identify services which can be improved through better integration.	Yes	In line with the New Zealand Health & Disability Strategy integration projects are in place for example, Elder Care Canterbury, Access Canterbury and LinkAGE. Others identified following an Integration Review by Business Assurance & Consultancy including the formation of a Steering Group between Primary Care and the Canterbury DHB. 79 projects were started and 43 were current at 30 June 02. The remaining were completed or reassessed as part of future service planning and development processes.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Community consultation is aimed at increasing community involvement in the assessment, funding of health and disability services	System and procedures are in place to inform and communicate with the community	Multi media approach set up to inform and communicate with the community. This will include, print, radio, TV, public meetings and web-site	Yes	Extensive consultation process developed around DSP. This was of nearly 10 weeks duration and resulted in over 200 submissions being received on the DSP. We have a Community Engagements and Consultation Policy document (currently being revised) and a strategy document which guided the Strategic Plan consultation. The CDHB's first major consultation process included 47 meetings, 12 of which were public and rest of which were stakeholder meetings. Meetings were minuted. In hindsight, we believe the target for this item needs to be revised to reflect consultation more than communication tasks
Maori Health is aimed at improving health status, contribute to decision making and participation in health services delivery	Improving accessibility and appropriateness of services Consultation with Maori on funding decision affecting Maori health Improving Maori participation in the health workforce	Develop a Maori Health Plan in consultation with Maori that identifies priorities for provision health services, funding of such services, and workforce planning	Yes	Completed and presented to CPHAC/HAC/DSAC in June 2002. The Plan has been shared with Maori groups during its preparation. Stocktake of Maori members of staff in CDHB undertaken. Appointment of Maori to key positions being progressed.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Refugee and Migrant Health is aimed at improving health status of refugee and migrant communities	Improved accessibility and appropriateness of services	Ensure Crown Public Health implement their Refugee, Asylum Seekers and Migrant plan and meet the key performance objectives of the plan	Yes	Plan being implemented. Six Month Report for MoH completed April 02 indicated satisfactory progress.
Pacific Peoples Health is aimed at improving health status and participation in health services delivery	Improving accessibility and appropriateness of services Improving Pacific Peoples participation in the health workforce	Develop a Pacific Peoples Health Plan in consultation with Pacific Peoples that identifies priorities for the provision of health services, and workforce planning	Yes	Completed and adopted by Board May 2002. During its preparation there was consultation with groups with the Pacific Peoples community and Ministry of Health.
Rural Health is aimed at improving better access and quality of service to rural communities	Initiate systems and processes to improve access, quality of services and improve workforce planning in the rural community	Develop a Rural Health Strategy which covers improving access to services, quality of service and workforce planning	Yes	Rural Health Plan completed May 02 and action plan developed. Work on implementation continues.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Teaching & research is to ensure there is ongoing commitment to high standard of teaching and research activities	Build on and further develop relationship and ties with tertiary and other teaching and research institutions	Support the University of Otago Christchurch School of Medicine, Christchurch Polytechnic and other teaching institutions by attending and providing seminars	Yes	CEO holds regular meetings with Dean of School of Medicine. He is also an ex officio member of Board and strong links have been developed between the School of Medicine and DHB.
		Develop joint agreements with the Clinical Training Agency (CTA)	Yes	A number of joint initiatives are being explored including a joint post graduate nursing department. A joint clinical skills laboratory was opened early in 2002.
		Develop funding agreements for research programmes with the University of Otago Christchurch School of Medicine and the Christchurch Polytechnic Institute of Technology	Partially	Contract agreement reached with Clinical Training Agency for 2001/02 and 2002/03. CDHB part funds Research Office of the University of Otago Christchurch School of Medicine and supports research carried out in its in-house provider. There is DHB participation in the research steering group. There was no funding agreement for research with the Christchurch Polytechnic Institute of Technology as at 30 June 02.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Good employer is ensure that Canterbury DHB provides a safe working environment, equal opportunities, culturally sensitive work place and upholds a commitment to good faith bargaining	Initiate systems and processes to promote a good working environment which encourages a management style that is more open, inclusive and transparent and that fosters a true partnership between staff, and between staff and management	Develop a strategy to meet DHB good employer obligations that promotes a good working environment and encourages a management style that is more open, inclusive and transparent and that fosters a true partnership between staff, and between staff and management	Yes	Strategies, including those below, and systems/processes implemented. Initiatives have been progressed since the industrial action, such as: • Culture survey undertaken across organisation. This will assist in further identifying initiatives. • Development of cluster structure at Christchurch Hospital to facilitate greater involvement at all levels across all medical disciplines. • Harassment and bullying policy and training implemented to assist in providing a better working environment. • Management leadership training in place. • Policies and approaches under development to provide for greater involvement of Maori and Pacific Island people in the CDHB workforce.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Good employer continued				▪ Cultural awareness training in place. ▪ Joint working parties are meeting involving Combined Unions and CDHB management on a regular basis. Working parties include: - Superannuation - Creche/Childcare - No Contracting Out - Scoping Exercise for Clinical Nurse Specialists - Advanced Practice for Nurses - Women's Health Division - Roster patterns for Older Persons and Mental Health Divisions. - Regular meetings held with Combined Union Group to discuss key issues and to ensure a 'no surprises' approach. - Formation of a staff group to advise the Chief Executive on initiatives to improve the working environment. - HR process and policies in place to ensure staff have equal opportunities.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
The Canterbury DHB will use its best endeavours to work towards a system that will manage waiting times for elective (non-emergency) surgery to achieve compliance with the six month maximum waiting time, providing advice on progress towards to targets	a) A maximum waiting time of six months for the first specialist appointment	a) 100% of patients receive their first specialist appointment within six months	No	CDHB has continued to achieve this level of performance. To date this has not been achieved. Of the new patients seen during the year, 90% were seen within 6 months. At the end of the year there were some 6943 patients who we had not seen who had waited longer than 6 months. This reflects approximately 2¼ months work at current activity levels. A number of specialties are performing near this target, namely Cardiology, Diabetes, Endocrinology, Infectious Diseases, Paediatric, Medicine, Paediatric Surgery, Renal Medicine, Thoracic Surgery, Haemotology and Vascular Surgery.[1]

[1] A number of services are however delivering near this target. During the 4th quarter Cardiology, Diabetes, Endocrinology, General Medicine, Haematology, Infectious Diseases, Neurosurgery, Paediatric Medicine, Paediatric Surgery, Nephrology and Cardiothoracic have more than 90% of first specialist assessments seen within 6 months

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
	b) A maximum waiting time for surgery of six months for patients who are offered publicly funded treatment	b) 100% of patients receive publicly funded surgery within six months	No	CDHB provides patients with two levels of certainty for publicly funded treatment, namely, "definite" cases, who are offered certainty of treatment within 6 months and "probable" cases who are considered likely to receive publicly funded treatment within 12 months. Quarterly performance for those patients provided certainty of treatment within 6 months varied from 91% to 97% of patients receiving treatment within 6 months. Quarterly performance for those patients who were considered likely to receive treatment within 12 months has also varied. In quarter 2, 70% of patients receiving treatment within[2] the 6 month target wait time, in quarter 3 68%, while in quarter 4 only 33% received treatment within the 6 month target. The first quarter was not reported.

[2] It should be noted that the above statistics do not include Christchurch Womens Hospital due to information issues that prevent these measures from being calculated.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
	c) Delivery of a level of publicly funded service which is sufficient to ensure access to elective surgery before patients reach a state of unreasonable distress, ill health or incapacity	d) 100% of patients [3] receive elective surgery before they reach a state of unreasonable distress, ill health or incapacity	No	Measurement against this indicator is not considered possible, however CDHB believes that performance against the targets contained within our funding agreement with the Ministry of Health act as an appropriate proxy. Based on this proxy CDHB has not achieved this target. Surgical case-weighted volumes delivered during the 2001/02 year are below the target level of delivery. Otolaryngology has delivered its funded case-weighted volumes. Ophthalmology and Dental have delivered near (within 30 cwd*)* their funded case-weighted. The remaining specialities have under delivered against the funded case-weighted volumes as follows: General Surgery 7% Cardiothoracic 49% Gynaecology 11% Neurosurgery 7% Orthopaedic 19% Paediatric Surgery 16% Plastic & Burns 9% Urology 7% This lower than planned performance has in part resulted from on-going industrial action and shortages of Anaesthetists and Anaesthetic Technicians.

[3] Please note this indicator is similar to that reported within the Statement of Service Performance narrative included in this report on page 38.

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Compliance with the Disability Strategy through the development of a Disability Action Plan	Initiate system and processes to implement the Action Plan	The Action Plan be in place and communicated to stakeholders and staff by June 2002.	Yes	Completed and adopted by Board October 2001. Action Plan shared with providers and consumers at various meetings. Action Plan activity assessment provided March 2002.
The Canterbury DHB will carry out election for the Board in conjunction with the Local Territorial Authorities	System and processes in place to ensure the community is appropriately informed of the election process	Election held in October 2001	Yes	Media and relevant public relations work completed. Members elected and orientated to Board processes; allocated to Subcommittees and information then shared with a number of forums/publications with the community.

FUNDING FUNCTION OBJECTIVES				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
Objective 1 To be an effective funder of Health and Disability Services for the population of Canterbury.	Canterbury DHB will initiate a comprehensive health needs assessment in relation to the people of Canterbury which will guide future funding decision-making processes and strategic planning.	Canterbury DHB will initiate an analysis of the current and future health needs of the resident population of the Canterbury and will share this information with the community.	Yes	Completed Health Needs Assessment November 2001. Refinement continues around priority areas of work and towards a final version by June 2004.
	Canterbury DHB will develop and implement a principle-based prioritisation framework as a basis for making rational, consistent and transparent decisions about which services should be funded.	Review existing models for prioritisation, develop or refine a framework for Canterbury DHB, share information with the community and the Board on the proposed process.	Yes	Completed May 2002 and adopted by Board. Consulted on as part of District Strategic Plan process. Awaiting publication as part of Strategic Plan (publication expected November 02).

DHB WIDE OBJECTIVES YEAR 1				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and Source**
Objective 2 Canterbury DHB will seek ways to improve public knowledge and share information about existing and planned publicly funded health and disability support services.	Canterbury DHB will develop and consult on a 5-10 year Strategic Plan that outlines the strategic direction for health and disability support services and is based on the NZ Health Strategy.	Develop needs analysis, development of strategic plan and consultation with community.	Yes	DSP Completed May 2002. Awaiting final sign off by Ministry of Health. Expected November 2002. Consultation Policy and Strategy developed and approved by Board November 2001and actioned as part of DSP consultation process.
Objective 3 The Canterbury DHB will fund quality health services.	The Canterbury DHB will develop processes to ensure that service delivery is monitored against the requirements of service contracts and are delivered in line with quality standards.	Canterbury DHB will develop a work plan that identifies robust processes to improve the monitoring of service delivery, routine auditing plans, processes for ad hoc and issues based audits and opportunities to move towards a greater quality improvement focus within the health sector.	Yes	In 2001/02 standards and processes developed as part of setting up a new system. Audit plans prepared and implemented. Major area for 2001/02 was audit of Mental Health Service contracts.
	Contract reporting requirements will be reviewed and recommendations for improvements for new contracts will be implemented.	Reporting requirements for new contracts and contracts being renegotiated over the 2001/02 year will be reviewed and any recommendations implemented.	Yes	Reporting requirements process being reviewed as contracts re-negotiated eg collection of ethnicity data/service volumes.

CHRISTCHURCH HOSPITAL
Organisational Infrastructure:

1) To implement an organisation structure that supports the principles of:
- **clinical governance**
- **effective risk management**
- **aligning accountability with responsibility**
- **devolved decision-making**
- **adding value through multi-disciplinary teamwork**
- **responsiveness to patient's needs**

2) To imbed organisational processes that support these principles.

Measurement	Target	Achieved Yes / No	Narrative Figures and source
Review the organisational service infrastructure to ensure that the development and maintenance of a multi-disciplinary team based approach to patient care is enhanced.	Completed March 02	Yes	The review was completed March 2002 and resulted in the restructuring of clinical services into service clusters headed by medical/nursing partnerships. This new structure, along with further devolution of responsibility to clinical leaders will help create the environment necessary to enhance the delivery of patient care.
To implement multi-disciplinary care planning tools, including clinical pathways in accordance with the accreditation programme.	June 02	Partially	Generic clinical pathway and care planning tools have been developed. Pilot implementation is under way and progressive implementation across the hospital is expected to start in September 02.

CHRISTCHURCH HOSPITAL			
Measurement	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To ensure there are effective and comprehensive pathways for clinical input into clinical risk management processes to ensure a hospital wide overview is achieved.	Staged improvements & Implementation.	Ongoing	Following the above restructure we have identified as a priority the need to set up a Clinical Governance Framework and set of processes to manage risk. The development of a Clinical Risk Management Plan is the first step. In preparation we have achieved the following during the past year: ▪ Expanded membership of the Divisional Management Group. ▪ Updated and issued a revised Christchurch Hospital Campus Policies and Procedures Manual (Nov 01). ▪ Established a "Clinical Skills Laboratory" (June 02) that provides for a systematic approach (DHB wide) for teaching core clinical activities. ▪ All new job descriptions for Department Chiefs and Nursing Directors now include a focus on Clinical Risk Management. ▪ The Risk Events Management (REM) database is now operational and provides better information, reporting and trend identification. ▪ Reviewed and improved existing practices in a structured way (NZ/AUS Standard 4360) in preparation for Accreditation.

CHRISTCHURCH HOSPITAL			
Measurement	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To achieve the specified milestones in the Accreditation Preparation Plan.	Various	No	The original plan had an unrealistic assessment of the resources required to achieve accreditation by 2002. Additional resources have now been approved and a new draft plan prepared with a more realistic target date of August 2004. A core foundation of quality already exists with areas of excellence. This will be built on with progressive implementation of the new plan.
To implement clinical audit processes consistent with the clinical audit implementation plan.	June 02	Yes	The target of 2002 considered inappropriate as the clinical audit plan has a number of initiatives with different deadlines and all of these are progressive. Hence this measurement is ongoing. The milestones to date in our clinical audit plan have been achieved. These include a baseline audit, consultation workshops and the establishment of a hospital-wide Clinical Audit Committee. The focus has shifted to education about audit and use of available resources from the development of a computerised system. Work will continue to set consistent standards for clinical audit across specialties.

CHRISTCHURCH HOSPITAL			
Measurement	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To implement the 14 sub-projects of the Theatre Review so as to improve patient satisfaction and increase the effectiveness and efficiency of patient care.	June 02	Partially	Policy and procedures for booking clerks completed and incorporated in the Nov 01 revision of the Christchurch Hospital Campus Policy and Procedures manual (Volume A). Pre-admission project – flow charts completed. Pilot will commence in August Day Surgery and holding bay will not be completed until new Day Surgery/Womens Hospital is completed. Pre-Op and post-op documentation completed. Staff education and training needs programme completed. Patient Management System – theatre model, enhancements project completed TSSU planning – part of Womens Hospital development.
To implement Canterbury DHB policies on integration with other providers including primary health care providers and NGOs to ensure better health outcomes for the community.	ongoing	Yes	Consultation with local GPs is well embedded in hospital activities. This includes joint projects, the implementation of referral guidelines and waiting list initiatives. Current contract negotiations have temporarily soured working relationships with Pegasus Health however we are looking forward to their re-engagement in these activities.

CHRISTCHURCH HOSPITAL			
Measurement	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To enhance the interface between the acute hospital and the rehabilitation services at TPMH and Burwood Hospital through targeted project activity.	June 02	Yes	Communication protocols established with regular minuted meetings taking place to help exchange of information. The aim is to bring about alignment of services between hospitals.

CHRISTCHURCH HOSPITAL **Spending Wisely** To manage expenditure consistent with the expectations of the CDHB funding allocation.			
Measurement	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To implement a Clinical Review Panel to ensure that all new high cost therapies are assessed for evidence of patient benefit and meet agreed health economic criteria.	July 01	Yes	The Clinical Review Panel was set up in July 2001. Since then it has established assessment criteria and undertaken several reviews.
Implement Picture Archiving and Communications System (PACS) radiology to eliminate imaging duplication and lost time.	June 02	Yes	PACs Stage 1 has been implemented in Radiology and Emergency Department 30 July 01.

CHRISTCHURCH HOSPITAL
Service Delivery
i) To ensure that demand for acute non-deferrable services is met;
ii) To deliver elective surgery and First Specialist Assessments consistent with the expectations of the Ministry of Health Funding Envelope.

Measurement	Target	Achieved Yes / No	Narrative Figures and source
To work collaboratively with hospital and community providers to ensure that sufficient capacity exists to manage peaks in acute service demand, with a particular emphasis on winter.	ongoing	Yes	Processes for planning and consultation are well established with local primary care providers. As are the internal responses including increasing staffing levels and the opening of additional beds. "Winter Planning" forms part of this objective whereby we coordinate our activities with PMH and meet with community groups including Electricity suppliers, CCC, Primary Carers. Minutes are available.
To monitor the achievement of certainty for patients requiring elective surgery on an ongoing basis.	July 01	Partially	An implementation plan was presented to the Hospital Advisory Committee in July 02. This plan received approval in principle to implement the Ministry of Health strategy on waiting list management.
To maintain an active investment in the GP Liaison initiative.	Ongoing	Yes	Monthly meetings are held with GPs involving hospital clinicians and management. Four GP's currently work on site.
To work collaboratively with primary care to ensure that referral guidelines for elective services are implemented.	July 01	Yes	General Manager and Operations Manager are members of steering committee with primary care. The MOH put out the referral guidelines.

CHRISTCHURCH HOSPITAL
Health Strategy Goals
To integrate the Government's Health Goals and Priorities into service delivery.

Measurement	Target	Achieved Yes / No	Narrative Figures and sources
Embed the outcomes of the Diabetes disease management project.	Ongoing	Yes	Awaiting CDHB Action Plan. A draft has been prepared and presented to the CDHB Executive Management Team (EMT).
To actively participate in the Asthma Disease Management Project and implement associated evidence based guidelines.	Dec 01	No	Awaiting clarification from funder.
To work with the MOH to implement the recommendations of the MOH national working parties in Radiation Oncology, Haematology and Medical Oncology.	Dec 01 Ongoing	Partially	A clinical service plan and implementation pathway has been developed. Radiation Oncology – Capex: CT Simulator and associated requirements. Verbal approval. Medical Oncology/Haematology – high cost drugs – agreed process and access. Palliative Care increase staff resources – RMO 1.0FTE, CNS 1.0FTE. Med Oncology 4th FTE Jan 03. Brachytherapy is implemented in clinical.
To work with the MOH to implement the South Island Paediatric Oncology strategy.	Dec 01	No	As part of the implementation plan a clinical service review has been undertaken setting out the requirements for compliance including the provision of improved facilities and centralisation. Funding has been designated for 2002/03. The target for this should be ongoing as a number of processes need to come together to implement the Strategy over the next 1-3 years.
To undertake a review of Child Health Services in the provider arm of CDHB to establish a comprehensive vision for the future of CDHB owned Child Health Services.	June 02	Yes	A clinical service review has been completed, setting out strategic objectives, which has been accepted by CDHB management.

CHRISTCHURCH HOSPITAL **Hospital Planning** Ensure the asset infrastructure meets the projected service capability requirements over the next decade			
Measurement	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To undertake a comprehensive facility audit and ten year facility planning process for the campus.	June 02	No	The first attempt at achieving this failed to provide a satisfactory outcome. A fresh approach is now being planned and scheduled to begin in September 2002. Completion now expected by May 2005 in line with the completion of the new Womens Hospital. The review has been expanded to be Canterbury DHB wide.

OLDER PERSONS HEALTH				
Objective	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To develop professional leadership, clinical expertise amongst staff and empower them in the management of change	Workforce plan is actioned • Education/training plan includes collaborative approaches to expertise and resources	June 2002	Yes	Plan for management level completed. Professional Development Committee developed and functioning. Unit Managers, Senior Clinical Practitioners, Director of Nursing Practice developing workforce plans.
	Professional accountability models operate for each profession - Staff competency levels are defined.	June 2002	Yes	Competency levels defined. Job descriptions reviewed to reflect models, currently in draft.
To ensure patients are provided with quality health services and care that are seamless and culturally appropriate	Total length of stay across the organisation's sites/services is measured and information used to adapt service delivery as necessary.	June 2002	Yes	Length of Stay is collected and monitored three monthly by Length of Stay Committee. LOS has decreased by approximately 1 day over the last year. Trends are monitored, statistics collated and distributed to all clinical areas and management; it is used in service development work. Unit Managers and Clinical Director take responsibility for challenging increased Length of Stay.

OLDER PERSONS HEALTH				
Objective	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
	Accreditation is achieved	June 2003	Partially	Accreditation is planned to be achieved by October 2004 and current year objectives have been met. All services are currently completing the Service Provision Framework, a process which will help the service in preparing for Quality Health Accreditation (an external quality peer review process).
	Care pathways and length of stay are defined and managed	June 2002	Yes	Predicted Length of Stay determined – Length of Stay Committee (set up July 01) monitors and identifies areas requiring action.
	Treatment/care plans are multidisciplinary	June 2002	Yes	A multi-disciplinary approach to care delivery is in place. Integrated clinical notes trial currently underway. Audits of treatment/care plans are in place by topic on a monthly basis eg Stroke.
	Culturally safe care is provided and audited against an agreed framework	June 2002	Partially	Advisory service provided by Te Korowai Atawhai Service. Ongoing consultation with Iwi held in June to assist with improving in this area. Currently working towards developing an agreed framework.

OLDER PERSONS HEALTH				
Objective	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To develop organisational structures and teams that encourages shared values and strong partnerships.	Clear decision making on professional and line management issues.	June 2002	Yes	The General Manager and Clinical Director work in a partnership model. Professional advisors are in place for all professional disciplines who report to the General Manager. The clinical service has a Clinical Management Board whose purpose is to improve clinical input into decision making for the Older Persons Health Service and to enhance the partnership between health professionals and management.
	Decision making structures reflect best use of the talents and resources of Older Persons Health employees.	June 2002	Yes	Clinical Management Board used as a decision making structure to ensure clinical input into decision making. Joint management decisions between General Manager and Clinical Director. General Manager meets with Management Team and Senior Clinical Practitioners of all professions on a formal basis. New structure implemented in 2002 to support decision making.

OLDER PERSONS HEALTH				
Objective	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
To continue to influence health and social policy so that the needs and expectations of older people remain central to service development and delivery.	Strategic planning has consumer input.	June 2002 and ongoing	Yes	Strategic Plan currently out for consultation with staff, next stage is to distribute to Consumer Participation Group for feedback. The Clinical Management Board has agreed to include a consumer as a member.
	Support and participate in the work of the Ministry to review and advocate for older people by participating in national health committee reviews.	June 2002 and ongoing	Yes	Various clinical input into many Ministry review work such as Health of Older Peoples Strategy. Views of the clinical staff are often sought by the Ministry of Health. CDHB will be a lead DHB for the devolution of funding for care of the elderly, this project is called LinkAGE.
	Support research that enhances outcomes for older people.	June 2002 and ongoing	Yes	Chair of Gerontology (joint position with University) in place. Actively involved in research: ⇨ Medical eg, Paper on natural course of recovery of dysphagia – accepted for publication in Dysphagia Journal – Assoc. Professsor Tim Wilkinson. ⇨ Physiotherapy, eg, Involved in Doctoral Research by Sue Lord. ⇨ Speech Language Therapy, eg Involved in a controlled trial Focusing on outcomes of Rehabilitation Programming for Neurogenic Dysphagia. Continued involvement with external groups, eg primary care, NGOs, consumer groups through: ⇨ Elder Care Canterbury Forums ⇨ Influenza Campaign ⇨ Discharge Planning ⇨ Stay on your Feet ⇨ Medication Management ⇨ Elder Friendly

OLDER PERSONS HEALTH				
	Target		**Achieved Yes / No**	**Narrative Figures and source**
	Intersectorial integration is achieved. • Elder Care Canterbury initiatives are encouraged and supported within resource allocation	June 2002 and ongoing	Yes	Staff involvement in Elder Care Canterbury (ECC) continues to be supported. Staff from CDHB in-house provider attend various stakeholder groups and planning groups involved in such things as medication review, and elderly friendly hospitals. Some of these groups are short term, other groups go for several months. Administrative support to the ECC Project provided from The Princess Margaret Hospital. (0.3FTE staff member).

MENTAL HEALTH DIVISION				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Gain advantages of Healthlinks (clinical information system.)	Percentage of documents on the system	100% Review 3/02	Partially	Mental Health Division has moved from a paper based clinical information system to an electronic system. All the planned clinical documents are on the Healthlinks system and accessible. Usage is continually increasing.
Begin co-ordinated workforce projects for South Island as part of delivery 4 years of National Plan.	(Projects delivered on time and within budget)	Project management	No	Ministry of Health has delayed implementation of policy on workforce projects Child and Youth Placement project has commenced and is achieving its objective of providing exposure to Acute Child & Youth Psychiatry Mental Health Division is funding Allied Health Preceptorship Programme aimed at assisting new Allied Health Professionals transition into clinical practice Proposals have been sent to MOH workforce planning project for: - Nursing Transition Programme - Calming & Restraint Education - Treatment of Personality Disorders

MENTAL HEALTH DIVISION				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Centralise recruiting	Staff vacancy numbers Turnover in nursing numbers	Maintain budgeted FTE levels at 98%	Yes	Centralised approach through Mental Health Division HR Advisor. Over the past 12 months the nursing turnover has been 8-9% which on national/international benchmarks is low, down from 2000/01. Staff vacancies numbers were constant across the service in 01/02.
Participate in Mental Health Classification and outcome study	Clinical buy in attained	Data integrity 100% Project completed on time and within budget 6/02	No	Participation in this project was withdrawn due to a prolonged industrial situation and our inability to train staff in the tools required to undertake the assessments. Framework now in place to implement programme for 2003/04.

MENTAL HEALTH DIVISION				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Review roles in supervised accommodation	Review recommends achievable plan for the CDHB	Review completed by 8/01	No	The review of Residential Rehab Housing services delayed due to industrial action. Discussions are continuing with Planning and Funding.
Agree and action 5 projects within Access Canterbury Agreement	Projects delivered on time within budget and to standards within agreement	Better integration with GPs	Yes Partially	The projects have been agreed and have commenced and are currently at varying stages of implementation development. These are: - Discharge Planning - Shared Care - Liaison - NZ Guidelines Group - Building NGO Relationships
Ensure South Island Mental Health Network established	✔ Established	By 9/01	Yes	This is a Planning and Funding Forum and there is representation from each DHB.
Ensure CDHB Mental Health Reference Group is established.	✔ Established	By 9/01	Yes	This group has been renamed as Mental Health District Advisory Group and the Group Manager and Managing Clinical Director CDHB Mental Health Service have membership of this forum. Meet monthly with representation from NGO, Maori, Pacific Island, Primary Care, Alcohol & Drug, Consumer/Family.

WOMEN'S HEALTH DIVISION				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Implement computerised clinical audit system.	System installed.	Installation by December 2001.	No	The computerised clinical audit system was not purchased nor installed during 01-02 due to competing financial demands and priorities. Instead we appointed .5 FTE (Midwife) to develop, support and coordinate a manual clinical audit system. The manual system has achieved the agreed number of clinical audits (24 during 01-02) including the implementation of recommendations arising from each audit. Results of audits are published quarterly. The WHD Annual Report summarises clinical audit activity-due for publication on September 6th 2002. We are now better placed and will be more discerning over our choice of computerised clinical audit system once funding is approved.
Achieve compatibility with other Board hospitals of patient management system.	All services using HOMER patient management system.	Full migration by June 2002.	No	Funding for the transfer was not available in the 01-02 year. Approval in principle has now been given with $500K held as allocated priority expenditure (02-03) and a commitment to a further $500K (03-04). A formal CAPEX proposal will now be drafted and it is expected the migration will be achieved prior to the opening of the new Womens Hospital on the Christchurch campus.

WOMEN'S HEALTH DIVISION				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Review and improve all processes of information for patients regarding their treatments.	Review completed and recommendations accepted by divisional governance group.	Report completed by December 2001.	Partially	We planned a systematic approach in line with the Accreditation Action Plan. This has been delayed by the following: ▪ additional time required for work of relocation user groups, ▪ contingency planning for industrial action and ▪ staff movement resulting in acting appointments. In the meantime we have continued with ongoing maintenance of patient information and have produced over 50 new or updated pamphlets / brochures in the 01-02 year. The Quality Team are now coordinating this work which will feed into our planned Accreditation goal.

WOMEN'S HEALTH DIVISION				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Improve cultural safety for Maori patients and clients.	Policies and guidelines in place.	Full implementation by March 2002.	Partially	Policies signed off on 27 June at Powhiri for new Womens Health Division General Manager. Key aspects include the appointment of a full time Womens Health Division Maori Health Worker to be in place by December 2002. Maori representation on interview panels for Senior Womens Health Division appointments – already occurring and greater emphasis on staff education and understanding regarding the needs of Maori, also underway via inservice, education and work of Cultural Advisory Komiti. Staff cultural training is tracked on the Division's Balanced Scorecard.
Finalise user requirements for new Women's Hospital.	Working drawings signed off by users.	100% sign off.	No	Milestones achieved as per Project Development Schedule – Site Redevelopment. Sign off from Treasury and Ministry of Health for Business Case for new hospital on 25 June 02 ensures financial support. Design sign off by User Groups (multi-disciplinary groups of health professionals with consumer involvement) was substantially complete by August 02.

RURAL AND COMMUNITY HEALTH SERVICES				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and source**
Complete a stocktake of rural health and social services (including facilities) available in rural communities of Canterbury	Information available on health and social services (including facilities) available throughout rural Canterbury	30 December 2001	Yes	Details of stocktake included in CDHB Rural Health Plan
Set up and complete consultation process to obtain the views of local authorities, communities and health providers on service issues.	Information provided and meetings with target groups	30 June 2002	Yes	Process used as part of CDHB information gathering and consultation on draft strategic Plan 'Directions 2006".

SCHOOL & COMMUNITY DENTAL SERVICE				
Objectives	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Increase the % of children receiving diagnostic radiography	Year 1	15%	Yes 24%	27,000 large film, 7,100 small films taken. Based on one set of films per child, 12,050 (24% total enrolled) children received diagnostic radiography services. 12 therapists trained in radiography during the reporting year.
Increase Pre-School enrolments	Year 1	50%	Yes	Based on 6,000 children per cohort group the pre-school group 1-4 years inclusive = 24,000. Pre-school enrolments 17,447, (72% of the eligible group) Pre-school numbers have increased by 2,835 in the 12 months up to 30 June 2002.

BURWOOD HOSPITAL				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Agree quality action plan from Quality Health accreditation survey and maintain quality focus	Draft Action Plan developed Action Plan accepted by Quality Health New Zealand.	Complete by August 2001	Yes	Draft Plan completed and accepted August 2001. This Plan being followed with 81 points to be accomplished. Quality Health New Zealand, the Accreditation agency, are to review the plan in September 2002.
Implement recommendations from accreditation process	All recommendations implemented	100% compliance by March 2002	No	To date 50% of the action points have been implemented. The Burwood Quality Committee and Steering Group use the plan at least monthly as a reference. As mentioned above Quality Health New Zealand are due to review the plan in September and following this it is expected to have the remaining action points implemented by December 2002.
Implement Stage 1 of: ▪ New Administration block ▪ New Ward	Architects complete detailed plans.	100% user sign off by June 2001	Yes	Planned completion of Stage 1 of project now due 18/11/02.
	Tender Work	Award tender by end July 2001	No	Was completed 6/9/02
	Complete works as per staged dates	Stage 1A October 2001	No	Was completed 5/2/02
		Stage 1B & C May 2002	No	1B was completed 5/7/02 1C was completed 27/9/02

BURWOOD HOSPITAL				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Implement framework for clinical governance system	Recommendations of Clinical Governances Review implemented	All processes and structure in place by April 2002.	No	A Clinical Audit Consultant has completed a review. The report has been circulated and staff have had one meeting to discuss. The plan is to arrange a workshop from which an action plan will be developed. Mortality and Morbidity meetings will also provide input. The credentialling process will be in line with that developed and used at Christchurch Public Hospital.
Develop clinical pathways	Number of clinical pathways	10 pathways developed by June 2002	No	No new Clinical Pathways have been developed due to a lack of resources. Burwood previously had a Clinical Pathways Coordinator however this position was not replaced when the incumbent left. It is expected that review of existing or development of new pathways will result in the action plan above.

BURWOOD HOSPITAL				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative Figures and sources**
Review discharge planning process	Project leader(s) identified Project plan developed Project completed	July 2001 August 2001	No Partially	This objective is also linked to the two above and delayed for the same reason. Progress will be made following the planned workshop. In the interim current discharge planning has been reviewed. The Spinal Unit is currently reviewing their discharge process in conjunction with ACC. Burwood is also involved in 4 Elder Care Canterbury projects focusing on discharges.
Maintain and enhance Ministry Of Health/Accident Compensation Corporation revenue stream	Value of current contracts	Increase in contract value	Yes	ACC revenue exceeded targets last year by 10%. The Burwood General Manager is the coordinator of an ACC project for the whole Canterbury DHB. One of the working groups of this project has a focus on revenue.

BRACKENRIDGE ESTATE LIMITED				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative figures and Sources**
Review current Policies & Procedures to ensure they meet current legislative standards and best practice guidelines.	Policies and Procedures are reviewed and updated.	10/01	Yes	Policies reviewed by senior staff with consultation and feedback from staff groups.
Undertake Business Contingency Planning process.	Policies and Procedures/Plans developed and implemented.	12/01	Yes	Policies and Procedures manual developed. Risk Management Plan in place and being actioned. Strategic plan developed and progressively being implemented.
Services provided are within financial/budgeted allocations.	Allocated budgets are adhered to.	Ongoing	No	Initial budget was based on forecasted revenue increases which did not eventuate. Negotiation with MoH continuing in 2002/03. Brackenridge managed to come in under its approved expenditure budget for the financial year ($177 000). We have implemented many cost saving initiatives and have made Brackenridge more cost effective in the areas of staffing / telecommunications especially.

BRACKENRIDGE ESTATE LIMITED				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative figures and Sources**
Determine Brackenridge Estate's strategic future in key areas of specialisation and access to new residents.	Consultation with key stakeholders undertaken. Strategic future determined.	10/01 12/01	Yes	In outlining our future direction in our Strategic Plan we have identified key areas of specialisation. We see this being with the medically fragile and challenging behaviour residents. We are working to establish greater expertise with the medically fragile and believe we are making progress. We have identified in our Strategic Plan there is scope to specialise in the provision of respite care and this is being progressed with the local Needs Assessment Service Co-ordination agency and Ministry of Health.
Enhance Clinical Practice (for example restraint minimisation, day programme development).	Clinical Practice is in line with Best Practice Guidelines and Policies and Procedures.	Ongoing	Yes	Training provided for all staff in best practise eg autism, dual diagnosis, non-violent crisis intervention and restraint. Residents plans (including day programme development) in place and regularly reviewed by caregivers, families/guardians.
Support and optimise residents' current pattern of living, including access to day programmes.	Lifestyle plans based upon 'My Goals' package are in place for all residents.	12/01	Yes	My Goals package in place for all residents (individually tailored). These ensure all residents get opportunities to gain meaningful life experiences, real work where possible via day programmes and participate in leisure time activities.

BRACKENRIDGE ESTATE LIMITED				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative figures and Sources**
Consolidate links with other community and service providers.	Effective working relationships are in situ, regular contact is maintained.	Ongoing	Yes	Relationships in place with providers eg Horizons, Hohepa Trust, AJs, Birchwood, Pembury, Alfa & Omega. Member of the National Residential Providers Group and receive support from the Templeton Welfare Group.
Strengthen current stakeholder feedback mechanisms.	Stakeholder satisfaction survey undertaken. Regular contact and consultation with residents/family/whanau/ other relevant stakeholders.	03/02 Ongoing	No	Survey replaced with two meetings (Aug01/April02) to discuss issues with positive outcomes as follows: ➢ Open communication with parents on key issues eg Swimming pool development ➢ Family/staff interaction with Christmas family BBQ ➢ Families maintained regular contact. ➢ Quarterly newsletter went out to families Parent representative on the Board.

BRACKENRIDGE ESTATE LIMITED				
Objectives Year 1	**Measurement**	**Target**	**Achieved Yes / No**	**Narrative figures and Sources**
Participate in audits, e.g. Standards and Monitoring Service	Review recommendations and requirements made implementing same where appropriate and/required.	Ongoing	Yes	Implemented recommendations from the last Standards and Monitoring Service audit as follows: ➢ Policy & Procedures Manual developed ➢ New Pharmacy contracted to dispense medication ➢ Fire Training and Fire Drills are regularly scheduled ➢ Families advised of staff changes Audit NZ recommendations as follows: ➢ CDHB property division advises on property matters. Maintenance Plan needs to be developed

GLOSSARY OF TERMS	
Accreditation	Achievement against a national system of standards.
Audit	The verification of performance against predetermined standards or contracts by a process of inspections, interviews and appraisal of documentation.
Brachytherapy	Type of radiation therapy in which radioactive materials are placed in direct contact with the tissue being treated.
CAPEX	Capital expenditure
Cardiothoracic	Relating to the heart or chest
Community	A collective of people identified by their common values and mutual concern for the development and wellbeing of their group or geographical area.
CNS	Clinical Nurse Specialist
Cohort	Generational group as defined in demographics, statistics, or market research: "The cohort of people aged 30 to 39... were more conservative" (American Demographics).
Consultation	The process of seeking the views of individuals or groups. These include both providers and health service users.
CPHAC	Community and Public Health Advisory Community
CWD - Cost Weighted Discharges	Measure of relative patient's utilisation of resources.
Disability	Incapacity caused by congenital state, injury or age-related condition expected to last six months or more. A disability may or may not be associated with the need for assistance.
Disparity (or deprivation)	Socio-economic or health inequality or difference relative to the local community or wider society to which an individual, family or group belongs.
District Health Boards	District Health Boards are organisations being established to protect, promote and improve the health and independence of a geographically defined population. Each District Health Board will fund, provide or ensure the provision of services for its population.
DSAC	Disability Support and Advisory Committee
DSP	District Strategic Plan
EMT	Executive Management Team
Equity	Equity means fairness.
Evaluation	Assessment against a standard. Evaluations can assess both the process (of establishing a programme to deliver an outcome) and outcomes (ultimate objectives).
FTE	Full time equivalent
Funding Agreement	This is the agreement the Crown enters into with any person or entity under which the person or entity agrees to provide or arrange the provision of services in return for payment. For District Health Boards, this will include the District Health Board Annual Plan, funding schedules and the District Health Board Statement of Intent.
General Surgery	General and Vascular Surgery at Christchurch Hospital provides tertiary services to general, vascular and transplant services. Approx 60% acute workload. Treats mainly non deferrable malignant life and limb threatening disease of upper and lower gastro-intestinal system, breast, endocrine and perivascular systems, primarily malignant disease.
Goal	A high level strategic statement.
Gynaecology	Disease and hygiene of women
Health Needs	This can be either: 1) what an individual requires to achieve or maintain health; or 2) an estimation of the programmes required to improve the health of populations.

Health Needs Assessment	A process designed to establish the health requirements of a particular population.
Health Outcomes	A change in the health status of an individual, group or population which is attributable to a planned programme or series of programmes, regardless of whether such a programme was intended to change health status.
Health Policy	A formal statement or procedure within institutions (notably government) that defines priorities and the parameters for action.
Health Status	A description and/or measurement of the health of an individual or population.
Iwi	Tribe.
LOS	Length of Stay
Medical Credentialling	Medical credentialling refers to the process of permitting an individual physician to practice in a particular hospital, clinic or other medical practice setting.
Neurosurgery	Surgery of the nervous system
Objective	Objectives state what is to be achieved and cover the range of desired outcomes to achieve a goal.
Ophthalmology	Eye surgery
Orthopaedic	Prevention or correction of injuries or disease of the skeletal system and associated muscles, joints and ligaments.
Otolaryngology	Ear, nose throat surgery
PACs	Picture Archiving and Communications System
Pacific Peoples	The population of Pacific Island ethnic origin (for example, Tongan, Niuean, Fijian, Samoan, Cook Island Maori, and Tokelauan) incorporating people of Pacific Island ethnic origin born in New Zealand as well as overseas.
Partnership	The relationship of good faith, mutual respect and understanding and shared decision making between the Crown and Maori.
Performance Indicator	A measure that shows the degree to which a strategy has been achieved.
Population Based Funding	Population based funding involves using a formula to allocate each District Health Board a fair share of the available resources so that each Board has an equal opportunity to meet the health and disability needs of its population.
Population Health	The health of groups, families and communities. Populations may be defined by locality, biological criteria such as age or gender, social criteria such as socio-economic status, or cultural criteria such as Whanau.
Population Health Outcomes	Used to describe a change in the health status of a population due to a planned programme or series of programmes, regardless of whether such programmes were intended to change health status.
Population Health Status	The level of health experienced by a population at a given time. This may be measured by separately identifying patterns of death and illness in a population or by means of one or more measures.
Quality Assurance	Formal process of implementing quality assessment and quality improvement in programmes to assure people that professional activities have been performed adequately.
RMO	Resident Medical Officer
Secondary Care	Specialist care that is typically provided in a hospital setting.
Strategy	A course of action to achieve targets.
Target	A specific and measurable aim relating to an objective.
Tertiary Care	Very specialised care often only provided in a smaller number of locations.
Treaty of Waitangi	New Zealand's founding document. It establishes the relationship between the Crown and Maori as tangata whenua (first peoples) and requires both the Crown and Maori to act reasonably towards each other and with utmost good faith.
Urology	Diagnosis and treatment of diseases of the urinary tract and urogenital system.
Wellness	A dimension of health beyond the absence of disease or infirmity, including social, emotional and spiritual aspects of health.
WHD	Womens Health Division

Audit New Zealand

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF CANTERBURY DISTRICT HEALTH BOARD AND GROUP FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 12 to 84. The financial statements provide information about the past financial and service performance and financial position of Canterbury District Health Board and group as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 16 to 19.

Responsibilities of the District Health Board

The New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989 require the District Health Board to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Canterbury District Health Board and group as at 30 June 2002, the results of operations and cash flows and service performance achievements for the year ended on that date.

Auditor's Responsibilities

Section 15 of the Public Audit Act 2001, section 43(1) of the Public Finance Act 1989 and section 43 of the New Zealand Public Health and Disability Act 2000 require the Auditor-General to audit the financial statements presented by the District Health Board. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed K J Boddy, of Audit New Zealand, to undertake the audit.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the District Health Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Canterbury District Health Board and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Canterbury District Health Board or any of its subsidiaries.

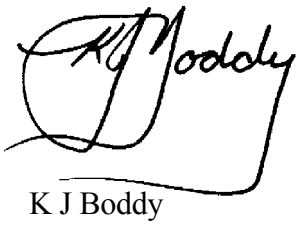
Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Canterbury District Health Board and group on pages 12 to 84:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - Canterbury District Health Board and group's financial position as at 30 June 2002;
  - the results of operations and cash flows for the year ended on that date; and
  - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 25 October 2002 and our unqualified opinion is expressed as at that date.



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

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Canterbury District Health Board for the year ended 30 June 2002 included on the Canterbury District Health Board's web-site. The Canterbury District Health Board is responsible for the maintenance and integrity of the Canterbury District Health Board's web site. We have not been engaged to report on the integrity of the Canterbury District Health Board's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have bee hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 25 October 2002 to confirm the information included in the audited financial statements presented on this web site.

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