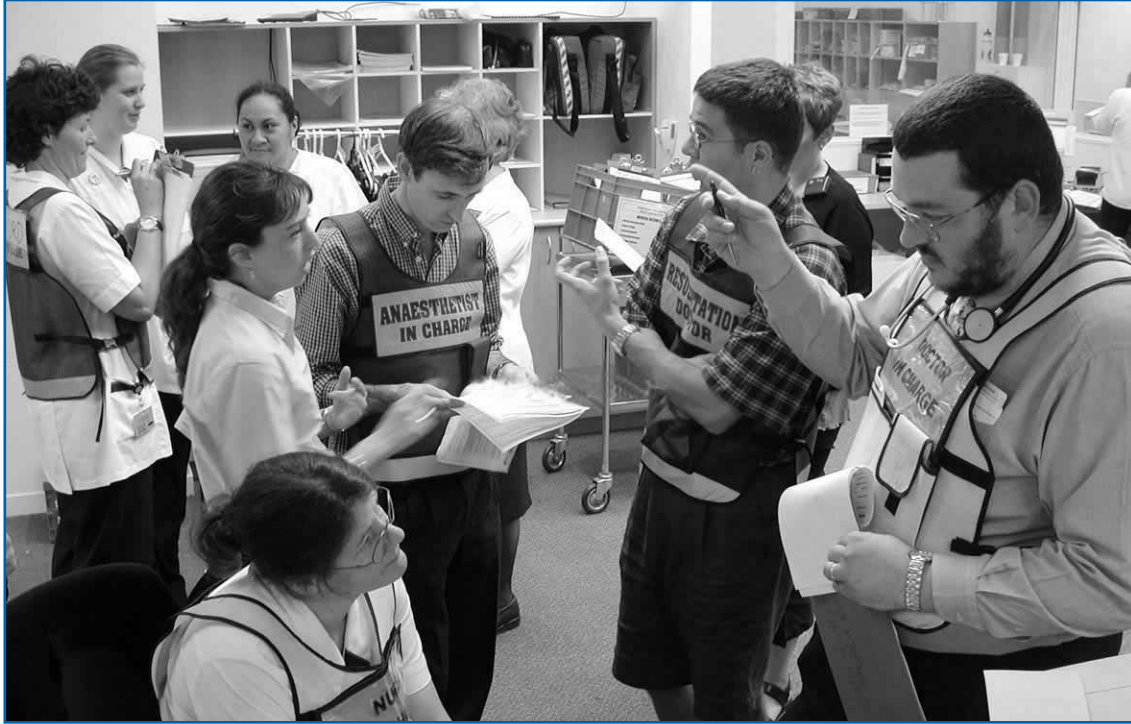




Capital & Coast
District Health Board
ŪPOKO KI TE URU HAUORA

ANNUAL REPORT
2001

Mission Statement



Our mission is to provide seamless health care for the people of the Wellington region and tertiary services to the central region of New Zealand.

This means the right services, delivered by the right people, in the right place and time, with the right tools.

Capital and Coast DHB

Annual Report 2001

The Board of Capital and Coast DHB presents the Annual Report for the six month period ended 30 June 2001.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Bob Henare', with a large, stylized initial 'B' at the start.

Bob Henare

Chair

Report from the Chairman and the Chief Executive

This is the first Annual Report by Capital and Coast District Health Board and covers the six-month period to 30 June 2001.

Capital and Coast DHB was established by statute on 1 January 2001 to take over the entire operations of the previous Hospital and Health Service (Capital Coast Health Ltd), to take over the planning and purchasing functions for the region from the Health Funding Authority and to commence the process of becoming a District Health Board.

Accordingly, this first six months of Capital and Coast DHB's existence has been a transitional and establishment period.

The transitional period stretches from mid 2000, when District Health Board planning commenced, to December 2001, when the first part-elected / part-appointed Board takes office.

Key achievements during the period include:

- establishment of a Board structure including Advisory Committees, Maori Partnership and key relationships with the community,
- agreement of a Partnership Agreement with Nga Iwi Tangata Whenua,
- commencement of the process of establishing a capable Planning and Funding Unit to take responsibility for total funding for the region as it is

progressively devolved from the Ministry of Health (previously HFA),

- compilation of the first District Annual Plan for the region. This relates to the 2001/02 financial year and is currently with the Minister of Health for approval,
- commencement of the process for compiling the first District Strategic Plan for the region. This will be the subject of public consultation and will be sent to the Minister early in 2002,
- further progress on improving the functionality of the Board's service delivery arm (Capital Coast Health) and its service delivery,
- appointment of an independent Clinical Auditor aimed at improving overall clinical standards throughout services,
- development of a business case for a new regional hospital and associated regional facilities designed to cater for service delivery for the foreseeable future.

The geographic area covered by the new DHB is the same as for the previous Capital Coast Health Ltd and encompasses the whole of Wellington City, Porirua City and Kapiti Coast up to and including Waikanae. This serves the health needs of a diverse population exceeding 230,000. In addition, the provider arm (Hospital and Health Service) provides specialist tertiary-level care for a wider region stretching to Hawkes Bay, Taranaki and the northern part of the South Island, or a population of about 900,000.



Establishment of Board Structure

The Board for this six-month period (and through to 9 December 2001) has consisted of eight members appointed by the Minister of Health, although most of its members have continued in office from the predecessor organisation.

In recognition of the close strategic and working relationship with the University of Otago's Wellington School of Medicine, the Dean of the Wellington School of Medicine, Prof John Nacey, has also attended Board meetings by invitation.

The Act required the Board to establish three Advisory Committees as follows:

- Community and Public Health Advisory Committee,
- Disability Support Advisory Committee and
- Hospital Advisory Committee.

Advisory Committee membership, appointed by the Board, includes a mixture of Board members and members of the community nominated by interested sector groups. The first non-Board member appointments were made in August 2001.

The function of the Community and Public Health Advisory Committee is to advise the Board on the needs and the health status of the resident population and the priorities for the use of funding provided. It must ensure that service interventions that the DHB provides or funds maximise the overall health gain for the population served.

The Disability Support Advisory Committee advises the Board on the disability support needs of the resident population and priorities for the use of disability support funding provided (NB: this funding has not yet devolved from the Ministry of Health). Its aim is to ensure that the kinds of disability support services the DHB provides or funds maximise the independence of the people with disabilities within the resident population.

The function of the Hospital Advisory Committee is to monitor the financial and operational performance of the DHB's provider arm (the hospitals and related services) and to assess strategic issues relating to those services.

In addition, a process of liaison with interested sector groups is being developed. Some of these, Reference Groups, already exist, examples being the Porirua and Kapiti Coast Healthlinks organisations. Others, Service Advisory Groups, are being formed to act as sounding boards in particular patient service areas.

The Board also established a Finance and Audit Committee to oversee technical reporting matters and to monitor the external and internal audit functions.

The Board Chairman and the Chief Executive would like to thank all C&C DHB Board members, including

members who have served on the Advisory Committees throughout the reporting period, for their professionalism, hard work and dedication in support of C&C DHB's interests. In particular, Board members' support during the seven-week public consultation process on the new Regional Hospital and enhanced services for Porirua and Kapiti, for their attendance at public meetings, hui and fono, is particularly appreciated by the C&C DHB executive and staff.

Maori Partnership

The Act recognises the principles of the Treaty of Waitangi and provides for mechanisms for Maori to participate in decision-making for the delivery of health and disability services for Maori.

Capital and Coast DHB has recently concluded a Partnership Agreement with Nga Iwi Tangata Whenua, being Te Atiawa and Ngati Toa Rangatira. More recently, the Rauru Tere organisation representing local residents from other iwi joined the partnership. This body will meet approximately eight times per year to consult with the DHB on strategic and planning issues relating to the delivery of health services in the region.

The importance of this partnership is that both the Government and Iwi recognise that we must work together to provide sustainable health care for all people. The partnership agreement gives Maori the right to speak on Maori health issues and make decisions that will foster good relationships between the Board and the Maori community. It is also about building on the gains that have already been made in Maori Health and looking for opportunities to improve.

Establishment of Planning and Funding structure

Contracts relating to approximately \$85 million of purchasing of services from other providers are devolving from the Ministry of Health to Capital and Coast during the 2001/02 financial year. Examples of this purchasing are pharmaceutical subsidy, laboratory charges and services purchased from General Practitioners. This is in addition to the \$250 million of funding for hospital and related services. In the longer-term future, this funding will rise to nearly \$400 million with the establishment of Population Based Funding and the transfer of responsibility for other services. In order to properly plan for and control this significant expenditure, the Board has established a new Planning and Funding

division which is located in separate premises at Cambridge Terrace, Wellington. This new division includes several key staff members from the former Health Funding Authority ensuring that these skills are not lost to the health sector.

In order to achieve efficiencies of scale in this new work, Capital and Coast has, together with neighbouring DHBs, established a joint technical analysis arm called Central Region's Technical Advisory Service Ltd. It is jointly owned and funded by the six participating DHBs. Similar co-operative ventures operate in the other regions of the country.

Central Regional Mental Health and Addictions Network

The network was established as a joint enterprise by the six central region DHBs – Capital and Coast, Hutt, Wairarapa, Mid-Central, Whanganui and Hawkes Bay.

The purpose of the network is to bring a collective approach to strategic planning for mental health in the region so that each DHB will make its own local service delivery plans within a regional context. Network members include funders, consumer groups, family, Maori and Pacific People's organisations, and clinical and non-clinical mental health, drug and alcohol service groups.

The network will allow DHBs to share certain costs, for example, costs associated with joint services by two or more DHBs, the sharing of knowledge, skills and experience and some recruitment and training costs. The network is an excellent example of the way DHBs can work together to ensure the best possible services for the wider community through achieving economies of scale on expenditure.

District Annual Plan

The first District Annual Plan was sent to the government for review and support in September. It encompasses the result of an extended planning exercise involving all facets of the organisation and one which has delved further into the details of health service delivery in this region than any previous planning. This has been done in conjunction with considering the ways in which health services will be delivered in future years, as part of the development of the business case for a new regional hospital. These details will be released when the government has indicated its support for the direction in which the organisation is headed.



District Strategic Plan

The Board will be compiling its first District Strategic Plan to Government for approval during 2002. Leading up to that will be an extensive planning process, broader than for the Annual Plan, involving an extensive amount of community consultation as well. Establishment of the Planning and Funding division and completion of the first Annual Plan places us well to complete this task.

Hospital and Health Services

Capital and Coast DHB operates an extensive health service delivery organisation under the trading name of Capital Coast Health. It operates a major secondary and tertiary hospital in Wellington, a smaller hospital at Kenepuru, a community hospital at Paraparaumu and extensive outreach services delivered in the community. Services provided from these units are detailed elsewhere in this report together with key highlights for the period.

The structure to control this part of the organisation has evolved so as to be able to interact more effectively with the Planning and Funding part of the organisation in developing our planning for the future.

There have been significant advances in the quality, structure and standard of performance of the provider side overall.

Unfortunately staff shortages in key areas have impacted adversely in service delivery. The DHB has dealt with these as they have arisen and will continue to do so.

This will be an ongoing difficulty in times of worldwide escalation of medical technology and competition for specialist staff. Capital and Coast is playing its part in national planning initiatives designed to assist in the long run in gaining and retaining key staff. In the short term we will simply have to deal with these issues as they arise.

Service performance data and key clinical initiatives are shown elsewhere in this report.

Independent Clinical Auditor

The appointment of an independent Clinical Auditor during the reporting period is a significant step aimed at improving overall clinical standards in all clinical services at C&C DHB. The Clinical Auditor reports to the Chair of the Hospital Advisory Committee and has the responsibility of verifying that clinical standards and policies are fair and reasonable and in accordance with acceptable clinical practice. The Clinical Auditor will test clinical performance against these standards and report to the Committee on recommended remedial action where necessary.

Business Case for New Regional Hospital

Intensive activity during the last 18 months has resulted in a detailed proposal being submitted by the Board to the Government for the establishment of a new secondary and regional tertiary services hospital in Wellington together with enhancements to services at Porirua and Kapiti. This follows Government acceptance of the need for a new hospital and confirmation that the site for the new hospital should be where the present hospital is at Newtown, Wellington. The final business case includes the results of an extensive community consultation process. Full details will be released when the Government has formulated its response to this business case.

The Board is keen that the momentum now established is not lost, as the construction phase will last for up to five years with much disruption during that period, and the need is now urgent.

Financial result for the period

The financial result for the six-month period ended 30 June 2001 was a deficit of \$8.969 million compared to a budgeted deficit of \$0.932 million. Revenue was \$144 million (budget \$138 million) and expenses prior to capital charge were \$148 million (budget \$134 million).

In addition, a capital charge of \$4.5 million was paid to the Government for the use of owner's equity. Much of this excess of expenditure over budget was due to the need to maintain services in the face of critical staff shortages in critical areas such as Intensive Care Unit and Radiology. This resulted in the contracting out of many surgical procedures at considerably increased overall cost.

The Board and Advisory Committees

The names of Board members holding office from 1 January 2001 to when the newly elected Board took office on 10 December 2001 are set out inside the back cover of this report.

All Board members made general declarations of interests from time to time during the period. The only potential conflicts of interest noted were in respect of Beverley Lawton who is a part-time staff member of Capital and Coast, Women's Health and a member of Wellington Independent Practitioners Association and in respect of Margaret Faulkner who is a Council member of Whitireia Polytechnic.

The makeup of the Advisory committees, including non-Board member appointments, is also shown inside the back cover of this report

The Board's Staff

The Board appointed the previous Capital Coast Health Ltd Chief Executive Officer, Mrs Margot Mains, as its interim Chief Executive to hold office until the newly elected and appointed Board makes a permanent appointment early in 2002. The Board expresses its appreciation to Margot Mains for her dedicated efforts in establishing this new organisation during this crucial initial phase.

The Board also expresses its appreciation of the efforts of all Capital and Coast DHB staff for the period for their unending professional service in delivering a creditable health service to the people of the region.

The Immediate Future

The electoral process has selected seven elected members of the new Board. We give our congratulations to all of them. Bob Henare has also been reappointed to the Board and as Chair. The new Board takes office on 10 December 2001 in accordance with the Act for a three-year term and will be joined by three further appointed members.

The Board believes it has placed the new Board in an effective position to deal with the organisation's immediate pressing issues which it identifies as:

- continuing the implementation of the service planning and funding function, including dealing with inflationary pressures on a wide range of services;
- increasing the involvement of the wider community in the decision making processes;
- development of the first District Strategic Plan for public consultation and submission to government by May 2002;
- consolidate the Board structure and organisational structure to deal with an increase in functions as they devolve from the Ministry of Health;
- continuing the momentum established for the new regional hospital project, including the obtaining of Government support for the business case already submitted;
- continue the improvement in the quality and performance of the Hospital and Health Service health delivery functions.



Bob Henare
Board Chair

Margot Mains
Chief Executive

Key Clinical Initiatives

Surgical Services

Surgical Services is responsible for a wide range of secondary and tertiary assessment and treatment which is provided on an outpatient, day case, and inpatient basis. Services include: Anaesthesia and Pain Management, Cardiothoracic Surgery, Dental Surgery, ENT and Audiology, Gastroenterology, General Surgery, Neurology, Neurosurgery, Ophthalmology, Orthopaedics, Urology, and Vascular Surgery.

There were a number of significant achievements during the 2000/2001-year, including:

- The introduction of a Clinical Leadership model within the service;
- Continuing the development of a pre-assessment process for surgical patients. By the end of the financial year 60% of patients were being passed through the improved pre-assessment process prior to surgery;
- Moving the Orthopaedic Clinic into new purpose-designed facilities in the Emergency Building in December 2000, achieving an environment that provides for patient privacy and patient and staff safety;
- Increasing the numbers of patients being admitted to hospital on the day of their surgery with the opening of the Perioperative Unit adjacent to the theatre complex. The proportion of day of surgery admissions (DOSA) rose to nearly 80% during the year. People having day surgery are admitted and discharged from this new unit;
- Building an Enhanced Procedures Room in the Kenepuru theatre complex primarily for use by the Gastroenterology and GI Endoscopy Service for endoscopy procedures plus the Dental Service. This has enabled the use of total theatre space at Kenepuru in a more flexible way;
- Improving access to specialist advice and assistance

for Outpatients through the First Specialist Assessment Project (FSA). Working parties in the Ophthalmology and Otolaryngology (ENT) services began work on a range of initiatives;

- Improving Outpatient services;
- Reducing the number of theatre sessions cancelled to less than five percent, in line with international benchmark.

Medical Services

The Medical Services Group provides a range of Secondary and Tertiary services on an Inpatient and Outpatient basis. Services include: General Medicine, Infectious Diseases and Dermatology; Renal, Cardiology, Respiratory Medicine, and Oncology Services.



During 2000/2001 a number of initiatives have been achieved which has resulted in improvements in patient care. These include:

- 80% of coronary catheterisations and angioplasties are now performed on a day case basis;
- Establishment of a non-invasive Respiratory Support Service;
- Development of a Renal Dialysis Satellite Unit in Porirua;
- Provision of Diabetes Outpatient Services in local settings near client groups in Porirua;
- Increased regional focus for respiratory services;
- Integration of Hutt Valley Health Oncology services;
- Management of the Hawkes Bay Renal Dialysis Services;
- Development of a joint preferred Medicines List with Wellington Independent Practitioners' Association;
- Appointment of a Discharge Planning Coordinator to facilitate and coordinate discharge planning within Internal Medicine;
- Marked improvement in recruitment retention and training of Registered Medical Officers;
- Establishment of the Bowie Education Centre within the Cancer Service.



Child Health Services

Child Health Services provide an integrated mix of Inpatient, Outpatient, Day patient and Domicillary services for children from birth to sixteen years of age. Services are delivered at Wellington, Kenepuru, Paraparaumu, Puketiro Centre, and Outreach clinics (local and regional), and at home. Genetic Services provide clinical and laboratory genetic services for the Central Region and the South Island.

Of the many significant achievements this year the recognition of the excellent outcomes of the Neonatal Intensive Care Unit with infants of 26 weeks gestation, published in the Australasian Neonatal Network, deserves mention.

Other achievements include:

- IANZ Accreditation of the Genetics Laboratory;
- Development of Central Region, Paediatric Oncology Services including recruitment of Paediatric Oncologists, two hepa filtered rooms in Ward 18, and acceptance as a tertiary provider within the New Zealand Paediatric Oncology community;
- Successful negotiation of contract with ACC for children with mild traumatic brain injury – joint initiative with Clinical Support Services Rehab Team;
- Improved Paediatric Neurology service with recruitment of part time Paediatric Neurologist (one of only three in New Zealand) and development of paediatric EEG service;
- Paediatric Nursing Staff have undertaken vaccinator courses and now many children receive ad hoc

immunisation whilst inpatients or outpatients. This is an important initiative to improve immunisation rates in the region.

Women's Health Services

The Women's Health Service provides gynaecology and obstetric services for the local region. A 24hour/day 7 day per week acute medical team provide emergency obstetric and gynaecology services and provides consultative support to independent primary maternity practitioners. Secondary gynaecology and antenatal clinics continue to be provided at Wellington, Kenepuru and Paraparaumu, with operating lists being performed both at Wellington and Kenepuru hospitals. Regional gynaecology services include the Abortion and Pregnancy Counselling Service ("Level 3 Unit") and a gynaecology oncology service.

Significant achievements for the reporting period include:

- The successful piloted monthly outreach clinics in the Hawkes Bay this year. The hospital links closely with private providers in the provision of infertility services;
- A strong multidisciplinary materno-fetal-medicine service, and obstetric ultrasound services. The Women's Health Service manages the maternity facilities for independent providers at Wellington

and the 'Level 0' units at Kenepuru (six beds) and Paraparaumu (two beds);

- Approximately 4000 babies delivered in the region each year;
- The Service endeavours to address longer-term workforce issues in the maternity service by supporting clinical training of newly graduated midwives and junior medical staff;
- These rewards are apparent – improved morale, a high pass rate for college examinations, full recruitment of junior medical staff for 2001 and ongoing success of the New Graduate Programme for midwives;
- The remaining strategy to address midwifery recruiting and skill mix issues for the longer-term involves a plan for limited re-entry by the hospital into provision of primary maternity services;
- A key initiative in the 2000/2001 year has been the updating of more than 50 service protocols and the development of a number of clinical pathways/guidelines. Consumer groups and primary provider groups have contributed to the maternity protocols.

Clinical Support Services

Clinical Support Services (CSS) delivers a range of specialist services. These include Acute Services, Diagnostic and Therapeutic Intervention, Specialist Rehabilitation, and professional community services. CSS also manages patient travel and retrieval as well as emergency management, co-ordinating the DHBs response to major incidents.

During 2000/1:

- New facilities were commissioned on the Wellington campus for Emergency Services, Assessment, Treatment and Rehabilitation (AT&R) Services, and Radiology;
- The AT &R Services built on the service redesign initiative in the 1999/2000 plan and achieved reduced waiting lists and length of stay with an increase in community delivered services;
- Relationships with private providers in the provision of community-referred radiology and laboratory services were strengthened. This included piloting the electronic transfer of Laboratory test results to GP practices and participating in a joint WIPA/MOH pilot to improve access to community referred radiology;
- Nursing recruitment and retention initiatives in

Intensive Care Unit (ICU) has resulted in a significant decrease in the deferment rate;

- Implementation planning for specialist Information System applications in Pharmacy and the Emergency Department was begun;
- CSS worked with the local community to define options for increasing access to emergency services for people living in Porirua and Kapiti;
- A business case for the establishment of a seven bed Acute Decision Service was completed;
- Clinical Training Agency funded acute care and rehabilitation-nursing programmes were delivered for the first time in 2000/01. Partnerships with educational institutions have been strengthened including a partnership with Victoria University in the provision of an emergency nursing programme;
- Registrar training programme within Radiology saw 100% success in Part II examinations in 2000 and additional registrar training positions approved by the college;
- Continued implementation of the Clinical Career Pathway for allied health professionals including:
 - implementation of and audit against standards of practice and documentation;
 - investment in training for supervision and panel overseeing process of movement between steps on the pathway.
- Laboratory Services have maintained IANZ accreditation for the Wellington laboratory and achieved accreditation of the Kenepuru laboratory and for the provision of Molecular Diagnostics;
- Mobile dietetic clinics have been set up to provide outreach services in the community.

For the 2001/2002 period, CSS will focus on:

- Managing changes to services where funding will be changed or withdrawn during the year;
- In conjunction with Planning and Funding, explore opportunities associated with the Primary Care Strategy – particularly in relation to nursing and allied health roles in the community;
- In conjunction with Planning & Funding, developing partnerships with primary care providers in relation to the provision of emergency and urgent medical services in the Capital & Coast district;

- Developing and agreeing models of care for people who present with strokes;
- Recruitment and retention of key medical, nursing, and allied health staff to ensure that service delivery supports clinical care needs.

Mental Health Services

Mental Health Services provides a full range of inpatient, outpatient, and community mental health services. These include specialist forensic, Maori Mental Health, Pacific Island Mental Health, alcohol and drug, dual diagnosis, crisis response, and early intervention services.

The Mental Health Service is building on the stability of its services over the past two years. It now has a clear focus on continuous quality development and the closer linking of its services with other community based providers locally and throughout the Central region.

The following achievements deserve particular mention:

- Transfer of Kapiti community mental health services from MidCentral Health;
- Establishment of a Youth Speciality Service and funding of an Adolescent Inpatient Unit;
- Implementation of a Quality Plan to meet the National Mental Health Standards;
- The Community Advisory Group has continued to be an invaluable source of feedback and initiatives that promote “seamless care” with community providers;
- A Consumer Advisor has been appointed and is developing processes for consumer participation throughout CCMH;
- A high rate of staff retention;
- The staging of two highly successful conferences involving international speakers by the Early Intervention Service and the Forensic and Inpatient Rehabilitation Services;
- The funding of a pilot scheme to improve the process of discharging long stay patients in IAUs and a scoping exercise for a Mental Health Accessline (Call Centre);
- The development of a career pathway for administrators;
- The development of a Youth Alcohol and Drug programme;

- Positive evaluation of Primary Care Liaison programme with the Wellington IPA and the provision by CCMH of additional support for NUHS;
- The establishment of the Pasifika Mental Health Team;
- Low waiting list numbers and prevention of need for re-admission to intensive care as reflected in readmission rates to Acute Units of 16%;
- The establishment of regional video-conferencing facilities;
- The opening of the Regional Forensic and Inpatient Rehabilitation building, Ratonga Rua – o Porirua ahead of schedule;
- A commissioning plan for Regional Mental Health Services negotiated with other DHBs with positive feedback from those DHBs being served.

Maori Health

The signing of a partnership agreement between Mana Whenua and the Board, as noted in the Report from the Chair and CEO, caps an outstanding year for Maori health initiatives at Capital and Coast DHB for the 2000/2001 year.

Other significant achievements in the reporting period include:

Maori Health Quality Plan

This document notes that contracts agreed for service delivery within the hospital all have Maori components. To ensure that each service is aware of their responsibilities to Maori all the Maori components are drawn together and directions given as to how these components can be achieved.

Maori Health Quality Assessment Tool

This tool provides a self-assessment for each service to take a snapshot of what has been achieved and where work is still to be completed. There has been a very positive response from throughout the DHB to this cultural assessment.

Cultural Awareness Training

A full time Bi-Cultural Educator joined the Maori Health Unit in October. Since then the numbers attending cultural awareness training have doubled. The focus for the training is on “Living the Treaty”, in the work place.

Regional Hospital – Korowai Hauora

The Maori perspective for the new regional hospital required considerable consultation around the wider Wellington region including Nelson, Hastings, Palmerston North, Wanganui, Wairarapa, Hutt Valley as well as the Capital Coast District. Discussions held at hui were invaluable in gaining insight into how Maori view hospital services. The notion of healing design and the Korowai concept of embracing, empowering and valuing diversity give positive indications of the way health services will be delivered in the future.

Te Pehi Parata Whanau Whare

This service has proved to be most effective in meeting the needs of whanau who come with a patient from out of town requiring hospital services. As part of the healing process for patients and the whanau, it has become one of the most valued services at Capital and Coast DHB.

Smoke Free Project

This program has been a major step forward in encouraging people, particularly Maori mums and dads, not to smoke around their tamariki (children). The real success of the program is having Maori working with Maori. This is the important element that has been successful in reaching Maori who want to quit.

People

Our human resource strategies are designed to enable Capital and Coast to have the right people, in the right place, at the right time, and to ensure that they are supported with the knowledge, tools and resources necessary to be successful in providing quality care for patients and consumers.

Retention

National and international shortages of skilled staff continued to put pressure on our turnover rates and our ability to retain staff. While our turnover remains too high it has reduced in the 12 months to June 2001 to 18.7% from 22% in the previous year.

Our retention strategies reflected an increasing emphasis during the period on the following:

- Improving communications and staff participation across Capital and Coast and within and between each operating and service area. This has involved a range of different processes including, an on going programme of leadership and staff fora, weekly

updates and communications from the CEO, development of intranet communications, and development of cross functional consultation processes;

- Developing more competitive and career based pay approaches for key professional groups. This included our nursing and midwifery staff and will be further enhanced with the introduction of the pay linked Career Pathway in November 2001;
- A continued emphasis on a partnership relationship with the principal unions;
- The development of a change management framework to ensure that the usual evolution that occurs within a large and complex organisation like our's is managed in a way that staff can understand and influence, and engage with. This has enabled better management of our organisation development processes;
- Initial scoping of an HR skills based approach to team leader training to support our front line leadership group.

Staff Survey

A second Staff Survey was completed during the period and showed an improvement in staff involvement compared to a year earlier. The results formed the basis of comprehensive reporting to staff and an on going discussion with managers and team leaders about what we have learned from the results and how these should be reflected in our actions.

Health and Safety

The health and wellbeing of our staff is central to all our HR and management practice. Capital and Coast has continued to operate a comprehensive health and safety programme supported by a specialist Healthy Workforce Team. Major initiatives through the period have included:

- Continuing emphasis on pre-employment screening and infection control systems to ensure identification of illness or infection that could pose risks to patients and staff ;
- Further development of our Health and Safety representative structure to ensure that we can support our systems for the control of work place hazards. This has allowed the hospital to meet NZ standards;
- Continued qualification for the ACC Accredited Employer Programme;

- Introduction of Manual Handling Policy and programme that meets national and international standards on how patients are lifted/moved /transferred;
- Rehabilitation support under our Wellness Programme for over 100 employees with long term illnesses to return to work safely.

Clinical Quality

In reshaping C&C DHB's leadership structures as we became a DHB, the organisation's commitment to quality was confirmed in the implementation of a new senior clinical role reporting to the CEO - Director of Quality.

A major review of quality over the past six months has considered the issues of quality structure, governance, strategy and priorities.

The Quality Improvement Group (QIG) has set the following quality priorities for this year:

- Credentialling of senior medical staff;
- Accreditation of the hospital and health delivery service by 2004;
- Clinical Audit processes;
- Risk Management/Complaints/Incident - Accident - Hazard;
- Policies and procedures.

Improvements and change take time and QIG will maintain a relatively narrow focus at the outset targeting these key strategic priorities. Proposed changes to quality structure (the staff and tools in place to facilitate C&CDHB staff delivering on their quality responsibilities) are in the process of consultation with staff. Organisation leaders with quality responsibilities are ultimately responsible for achievement of initiatives.

Centre for Midwifery & Nursing Practice & Research

Collaboration with Victoria University to provide the Centre for Midwifery & Nursing Practice & Research which encourages and supports practice.

Waste Minimisation Project

Introduced in 1998 with significant savings through the ongoing implementation and development of waste minimisation strategies. This has been achieved largely through a cultural change within the organisation.

Information Systems

The Directorate of Information Management and Planning was formed this year to pull together, under a single service bureau, the functions that enable the collection and effective use of information. Information is essential to the District Health Board measuring and reporting on its activity, providing effective patient care, and managing its resources.

In August a new Director was employed and six weeks later the District Health Board's draft Strategic Plan for Information Management and Planning was published for public consultation. Three key process reviews have been initiated to assist in the planning and coordination of the organisation's activities. These are projects focussed on:

- the health care processes involved from the first presentation of a patient to a provider through to the patient being returned to effective community care;
- the processes involved in the requisition of staff and contractors through to the termination of these arrangements; and
- the processes involved in the identification of goods and services that are required through to the payment by the District Health Board for those products.

The technology, systems, procedures, standards, and organisational structures that underpin these processes are also under review to help ensure that the District Health Board can meet its obligations now and in the future.

Wellington School of Medicine

Co-operation with the Wellington School of Medicine has continued to be close, with a number of senior medical staff holding appointments in both organisations. In addition, the School has played a key role in developing the design and options for the new regional hospital business case submitted to government.

Operations, Finance and Support

The DHB has an extensive support operation that provides infrastructure, financial reporting and control, Human Resources and other services to the wider organisation. These functions have operated smoothly and efficiently throughout the year and are a key underpinning to the effective functioning of operational areas.

Capital and Coast DHB

Statement of Responsibility

FOR THE PERIOD ENDED 30 JUNE 2001

- 1 The Board and management of Capital & Coast DHB accepts responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- 2 The Board and management of Capital & Coast DHB accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.
- 3 In the opinion of the Board and management of Capital & Coast DHB, the annual Financial Statements for the period ended 30 June 2001, fairly reflect the financial position and operations of Capital & Coast DHB.



Chairperson
Bob Henare
2 October 2001



Chief Executive
Margot Mains
2 October 2001



Director of Finance
Calum Laurie
2 October 2001

Performance Measurement Balanced Scorecard

FOR THE PERIOD ENDED 30 JUNE 2001

	Actual		Target	
	Q3	Q4	Q3	Q4
Addressing the needs of patients and clients				
Patients rate satisfaction with services as 8 and above (on scale of 1 to 9)	52%	55%	56%	56%
Kaiawhina and Kaumatua visit Maori patients on the Maori patient daily list	86%	92%	>80%	>80%
Improving Quality				
All service specific quality plans completed	0%	0%	66%	100%
Respondents compliance to respond to complaint within 20 days	61%	64%	90%	90%
Reporting on three clinical indicators by each service group	31.6%	31.6%	70%	90%
Valuing our staff				
Staff turnover rate	20	20	22	22
% staff survey respondents who rate their job satisfaction as good or better		51%		M
% staff survey respondents who rate working at CCH as above average		40%		M
Establishing organisational viability				
% variance to budget			0%	0%
Return on equity (Year to Date)	(6%)	(10%)	0.1%	0.1%
% variance to contract volumes	4%	(1.5%)	<5%	<5%
Casemix adjusted in-patient ALOS (days)	4.3	4.5	4.9	4.6
Nursing hours/in-patient day	5.94	5.35	6.1	5.8
Staff will have received bi-cultural training.	11%	17%	>15%	>20%

Q3: three month period to 31 March 2001

Q4: three month period to 31 March 2001

M: no date set

Capital and Coast DHB

Statement of Service Performance

FOR THE PERIOD ENDED 30 JUNE 2001

Performance Dimension	Performance
Governance Capability:	
<p>Governance</p> <p>This DHB Board will work with key stakeholders to determine how these governance arrangements will be finalised to meet legal requirements and ensure greater local community involvement. Capital and Coast DHB will finalise governance documentation for DHB Board including evolving constitution and coverage of advisory groups by 31st March 2001.</p>	<p>The Board's committee structure, terms of reference for committees, committee membership, standing order for the Board and committees and related procedures were endorsed by the Board at 4th April 2001 meeting.</p>
<p>Accountability</p> <p>The Board of Capital and Coast DHB will operate under the accountability arrangements contained within NZPHD Act that cover its core responsibilities as funder, provider and owner. Capital and Coast DHB will submit a draft annual plan for 2001/02 consistent with the NZHS and NZDS to the Ministry of Health by 31st May 2001.</p>	<p>The Minister of Health amended the deliverable and draft plans are now due by 31st July 2001. Capital & Coast submitted draft annual plans for 2001/02 to the Ministry of Health.</p>
<p>Collaborative Arrangements</p> <p>The Board of Capital and Coast DHB will develop a collaborative approach with other DHBs at Board level and submit an application for approval for establishment of a shared support agency by 28 February 2001.</p>	<p>The application to establish Central Technical Advisory Service (Central TAS) was submitted to the Minister of Health by November 2000, and was approved on 1st February 2001. The Central TAS is responsible for providing six District Health Boards with applied analysis, service planning and regional audit programme.</p>
<p>Partnership with Maori</p> <p>The Board of Capital and Coast DHB will engage with Maori to establish relationships and will have agreed to timeframe for formalising relationships by 31 May 2001. Capital and Coast DHB will appoint Portfolio Manager for Maori Health.</p>	<p>We have engaged with Maori to establish relationships. The draft Memorandum of Understanding between Capital & Coast DHB and Maori is under development. Maori Development Manager position was advertised and suitable candidate was not appointed as at 30th June 2001.</p>

<p>Capability as a Funder:</p>	
<p>Needs Analysis: Capital and Coast DHB will appoint appropriate people to the DHB (or any shared support agency) and manage in collaboration with Ministry of Health for system capability establishment by 31 May 2001.</p>	<p>Capital & Coast had appointed appropriate people before 31st May 2001 and is developing capabilities to carry out needs analysis consistent with Health Needs Assessment for New Zealand: An Overview and Guide, December 2000.</p>
<p>Prioritisation and Decision-Making Capital and Coast DHB will appoint appropriate people to the DHB (or any shared support agency) and develop system capabilities by 31 May 2001.</p>	<p>Capital & Coast had appointed appropriate people before 31st May 2001 and is developing system capabilities to carry out prioritisation. Capital & Coast is also developing decision-making process.</p>
<p>Provider Selection Capital and Coast DHB will appoint appropriate people to the DHB (or any shared support agency) and develop system capabilities by 31 May 2001</p>	<p>Capital & Coast had appointed appropriate people before 31st May 2001 and is developing system capabilities for provider selection.</p>
<p>Consultation Capital and Coast DHB will develop structure and processes to support capability, which are consistent with legislative requirements.</p>	<p>Capital & Coast had appointed a Community Consultation Manager before 31st May 2001 and is developing system capabilities for consultation. A database of providers and community interest groups was developed during the period.</p>
<p>Strategic Planning Capital and Coast DHB will appoint appropriate people for strategic planning before 20 June 2001.</p>	<p>Capital & Coast has appointed appropriate people before 20th June 2001 and had developed system capability for the development of the strategic plan.</p>
<p>Preparing for Service Development The Board of Capital and Coast DHB is expected to ensure that services it funds, in line with the devolution timetable established by the Government, are appropriate to the needs of the people in its community and consistent with the priorities and principles set out in the <i>New Zealand Health Strategy</i> and the <i>New Zealand Disability Strategy</i>.</p> <p>Capital and Coast DHB will develop a draft annual plan that reflects the Government's expectations by 31 May 2001. <i>This is now amended and a draft plan is due by 31 July 2001.</i></p>	<p>The draft annual plan was submitted to the Ministry of Health by 31st July 2001. The draft annual plan for 2001/02 reflects the current devolution timetable, meets the needs of the community and is consistent with the priorities and principles in the New Zealand Health and Disability Strategies.</p>

<p>Service Delivery Performance</p>	
<p>Service Delivery Initiatives</p>	
<p>Porirua & Kapiti Coast: This initiative involves developing the future shape of health and disability services for the people of Porirua and Kapiti as part of our business case for the redevelopment of Kenepuru and Paraparaumu hospitals. This will include improving access to emergency services for people of the Kapiti /Porirua area. We will work with the Porirua and Kapiti ‘Healthlinks’ project and communities to consider the services delivered from Paraparaumu campus. We are redeveloping mental health services, including the mental health forensic and rehabilitation units by May 2001.</p>	<p>This initiative was predominantly achieved through the development of the New Regional Hospital and redevelopments at Porirua and Kapiti Business cases. These business cases propose options for the future shape of health and disability services for the people of Porirua and Kapiti. The business case incorporating Porirua future directions was completed in draft form in December and the Kapiti business case in June. They are currently being consulted on with the general public and are due to be finalized by December 2001. In particular, they focus on emergency services and incorporate a report titled “Emergency Services for the Porirua and Kapiti Regions: a working party report” which was completed with community representatives in December 2000.</p> <p>The redevelopment of mental health services has also progressed with the opening of the new mental health forensic and rehabilitation units in September 2002.</p>
<p>Assessment, Treatment & Rehabilitation Services: This initiative involves establishment of protocols and care pathways to support the provision of an integrated stroke service for Capital and Coast.</p>	<p>Rehabilitation services provided by Capital & Coast have been reorientated to a post acute needs based service for all clients aged 16 years and over. Evidence suggests that patients requiring in-patient management of strokes have better outcomes as a result of early transfer to a rehabilitation unit. In conjunction with Medical Services and Neurology a pilot has been put in place to enable evaluation of protocols for identification and early transfer of patients to the Rehabilitation service.</p>
<p>Integrated Services for Older People: This initiative focuses on the integration of services for older people within Capital and Coast. As such it crosses a number of clinical group and purchasing boundaries. The aim is to configure services which focus on the needs of older patients as a whole so that specialist medical assessment and treatment for complex medical needs are provided in conjunction with a rehabilitation focus to attain and/or maintain independence. Patients in this group are generally aged 80 years and older.</p>	<p>During 2000/01 an in-patient unit was established to meet needs of patients with complex medical conditions who would also benefit from rehabilitation. Work has also been undertaken to address the needs of older people receiving acute medical and surgical services by the use of Geriatrician consultation and liaison in medical & orthopaedic services.</p>

<p>Psychogeriatric Services:</p> <p>This initiative arises from the need to develop a comprehensive psychiatric service for the elderly managed by Capital and Coast Mental Health, working in close collaboration with Services for the Elderly. Components of such a service should eventually include a Community Mental Health Team, Home Based Care, Carer Support, Consultation-Liaison Service, Respite Care, Acute and Rehabilitation In-patient Units.</p>	<p>Elements of a comprehensive psychogeriatric service have been scoped to include the following elements:</p> <ul style="list-style-type: none"> ◆ Expertise in the range of needs of older people with mental health needs eg <ul style="list-style-type: none"> • the graduate group • people with dementia • people with long standing psychiatric disorders • younger people – ‘alike in age and interest’ ◆ consultation and liaison service – including support to acute services and to primary care practitioners ◆ day programme ◆ memory clinic ◆ community-based assessment supported by an in-patient unit for people with <ul style="list-style-type: none"> • dementia • functional illness ◆ development of acute services <p>Future funding of service development & facility requirements for post acute in-patient services is still to be determined.</p>
<p>Acute Assessment Unit:</p> <p>This initiative involves justifying, funding and then possibly developing an Acute Assessment Unit on the Wellington Hospital campus, with the purpose of:</p> <ul style="list-style-type: none"> ➤ Improving patient care by speedier diagnosis and treatment ➤ Reducing the admission rate of patients who need a short period of observation to recover from a mild to moderately severe self-limiting condition ➤ Reducing the admission rate of patients who need acute assessment and treatment ➤ Providing an environment to foster multidisciplinary care models that will inform the future direction of care within Capital and Coast Health 	<p>A business case recommending the establishment of a seven bed acute decision unit in advance of the development of a new regional hospital on the Newtown site was developed. Site and financial considerations have resulted in a decision not to proceed with this unit.</p>
<p>Ambulatory Care</p> <p>The purpose of this initiative is to determine the model of ambulatory care for the Wellington Regional Hospital that will help best meet the chronic and acute needs of patients. This initiative will take account of the worldwide growth in ambulatory care centres, and benchmarks being established in similar communities and institutions.</p>	<p>The outpatient services were reviewed and the service improvement framework for Outpatient services was established.</p> <p>The project results will feed into development of the models of care for ambulatory services as part of the Regional Hospital Project.</p>

<p>Resource allocation of Medical Officers</p> <p>This initiative is designed to establish a clear view of the senior medical officer and registered medical officer resources required to achieve quality across various clinical services.</p>	<p>Several studies have been carried out during the period to assist in establishing the appropriateness of clinical resources for the services provided. Plans to address issues facing these services have been developed and have been or are being implemented.</p>
<p>Clinical Career Pathways: Allied Health:</p> <p>This initiative will assist in the recruitment and retention of senior staff who wish to follow an allied health clinical career. The pathway describes minimum levels of performance measures expected at different steps along the pathway, with a transparent process for movement between steps based on practice rather than “length of service”.</p>	<p>A clinical career pathway for allied health professionals and a process for movement along the pathway have been implemented. Audit against the standards of practice and documentation that support the pathway has also been introduced.</p>
<p>Ownership Performance</p>	
<p>Ownership Initiatives:</p>	
<p>Human Resource Management</p> <p>To develop a HR management plan that:</p> <ul style="list-style-type: none"> ➤ improves organisational structure ➤ provides a road map for implementing structural change ➤ increases our workforce capability ➤ creates a principle based culture within Capital and Coast DHB. <p>The purpose of this work is to produce a workforce that are proud to work for the organisation, share a common understanding, direction and purpose, and work efficiently and effectively together.</p>	<p>We have developed a strategic HR plan that sets out the direction for the next 12 -18 months. This will provide the foundation for a longer-term plan to be developed through this current year. Also completed was the change management framework, which underpins the approach to organization development.</p> <p>The new organization structure introduced in the previous year has been well consolidated.</p> <p>Work has commenced in the period on workforce planning and strengthening retention and recruitment in key areas through targeted remuneration development, internal communications and change management processes and leadership skills. The HR information reporting capability has been strengthened during the period.</p>
<p>Implementation of a Maori Health Quality Plan:</p> <p>The purpose of this initiative is to continue implementation of our Maori health quality plan. A key focus for this year is completing the cultural audit of the organisation.</p>	<p>Maori Health Quality Plan was developed before 30 June 2001. We have developed a bi-cultural self assessment tool for clinical groups to measure implementation of Maori Health quality plan.</p>

<p>Develop and Strengthen the Quality of Care Provided</p> <p>This initiative will see the strengthening of the existing Quality Care Council and the further development of quality programmes in the organisation.</p>	<p>The Clinical Quality Council was disestablished at the meeting held in May and reformed immediately to consist of all Clinical Directors, Director and Team Leader of Quality, and a representative from Nursing, Maori Health and the Operations Group. The overall objective of the new group is that they will be held responsible and accountable for ensuring that quality is delivered through and into the services they manage. This group is now called the Quality Improvement Group.</p> <p>The function of this group remains broadly the same but with a greater emphasis on achieving organisation wide quality initiatives. Several important initiatives have been identified. These will form the backbone of Quality work in the near to middle term.</p> <p>The first is hospital accreditation. This process will start from August 2001. The timeframe to achieve accreditation for C&CDHB is expected to be three years from October 2001.</p> <p>The other main initiatives are:</p> <ul style="list-style-type: none"> • SMO credentialling • Risk Management (includes complaints, incident/ accident/ hazards, health & safety) • Document status of all policies & legal contracts • Clinical Audit
<p>Develop and Implement Information Management Strategy:</p> <p>This initiative involves defining what information is required for us to do our job, both in terms of clinical and management information. This strategy will also contribute to the HHSs Information Strategy announced by the government.</p>	<p>The Information Systems Strategic Plan (ISSP) is currently under revision and is scheduled for release in December 2001. The ISSP will align with the HHSs Information Strategy.</p>

Continue Improving Financial Management:

Capital and Coast DHB is continuing to develop strategies to ensure its progress towards breaking even in the 2000/2001 (over two periods of six months, 1 June 2000 to 31 December 2000 and 1st January 2001 to 30 June 2001) year. These strategies include the active management of costs, revenue, finance and capital expenditure.

While many of these strategies have been put in place, the DHB continues to incur cost pressures that are proving difficult to control. With critical staff shortages being experienced nationally and internationally, the organisation has been forced to match higher salary rates than expected. While we are pleased to recognise the value of our staff, the cost pressures associated have not been able to be met through improved performance nor attach additional revenue. The process of attracting new staff has also caused additional expense as the shortage of staff has increased expenditure with other organisations to meet demand for services. Therefore, while efforts on strategies to improve the position have been implemented the adverse financial position through examples of cost increases as identified above have over-shadowed their success. The organisation continues to review strategies so that a favourable position can be achieved.

Financial Management complies with the Public Finance Act 1989 and GAAP.

Management reports financial results to the Board and relevant committees on a monthly basis.

Capital and Coast DHB

Statement of Accounting Policies

FOR THE PERIOD ENDED 30 JUNE 2001

Reporting entity

Capital & Coast DHB is a Crown entity in terms of the Public Finance Act 1989.

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

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

Measurement base

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

Going concern

Reliance is placed on the fact that Capital & Coast DHB is a going concern and will continue to receive revenue from the Ministry of Health and other sources sufficient to maintain its services beyond the 2001 financial period. In addition Government Ministers have provided written support to the Board to enable continuing supply of services. The Board place particular reliance on this support.

Accounting policies

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

Comparative figures

The board was formed on 1 January 2001 and this is its first annual report. Accordingly, there are no comparative figures for the previous financial year. The Board's operations combine the functions of the predecessor HHS

and some of those of the functions previously performed by the Health Funding Authority.

Budget figures

The budget figures are those approved by the Board at the beginning of the period in the initial Statement of Intent. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

Goods and services tax

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

Taxation

Capital & Coast 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.

Donations and patient funds

Donations and bequests are recognised as revenue at the point when the donation is formally acknowledged. Those donations received to which conditions are attached are acknowledged as revenue unless the conditions cannot be fulfilled.

Patient funds, representing cash assets, are paid into a designated trust fund account, which is recorded as an asset in the Statement of Financial Position together with a related liability acknowledging patient ownership. To the extent that interest accrues to the trust fund account, these sums are added to the asset and liability accounts respectively.

Endowment and trust properties

These properties have been acquired in trust to either maintain a future revenue stream, or for specific purposes. Capital & Coast DHB has full legal title to the properties but must comply with the original gifting trust deeds. These assets are principally land holdings, but also include certain buildings.

The properties are valued annually by independent valuers and recorded at net current value.

On revaluation, movements are taken to a property revaluation reserve unless the reserve is insufficient to cover a deficit, in which case the amount of the deficit is included in the operating result.

Accounts receivable

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

Inventories

Inventories are valued at the lower of cost, determined on a first-in first-out basis, and net realisable value. This valuation includes allowances for slow moving items. Obsolete inventories are written off.

Investments

Investments are stated at the lower of cost and net realisable value. Any decreases are recognised in the Statement of Financial Performance.

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

Fixed assets acquired since the establishment of the District Health Board

Assets acquired by the Board since its establishment, other than those vested from the Hospital and Health

Service, are recorded at cost. This includes all appropriate costs of acquisition and installation, including materials, labour, direct overheads, financing and transport costs.

Revaluation of land and buildings

Land and buildings are revalued every three years to their fair value, as determined by an independent registered valuer, with additions between revaluations recorded at cost. The results of revaluing land and buildings are credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the asset revaluation reserve, the debit balance will be expensed in the statement of financial performance.

Disposal of fixed assets

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

Depreciation

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

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

- ▲ Buildings and fitouts 5 to 60 years
- ▲ Plant and equipment 5 to 15 years

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

Employee entitlements

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

Leases

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these

leases are recognised as expenses in the periods in which they are incurred.

Financial instruments

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

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

Statement of cash flows

Cash means cash balances on hand, held in bank accounts,

demand deposits and other highly liquid investments in which the DHB invests as part of its day-to-day cash management.

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

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

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

Changes in accounting policies

This is the first period of operation. 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.

Capital and Coast DHB

Statement of Financial Performance

FOR THE PERIOD ENDED 30 JUNE 2001

	Notes	Budget 2001 \$000	Actual 2001 \$000
Revenue		137,957	143,507
Expenses		133,900	148,001
Capital charge	14	4,989	4,475
NET OPERATING DEFICIT	1	<u>932</u>	<u>8,969</u>

Capital and Coast DHB

Statement of Movements in Equity

FOR THE PERIOD ENDED 30 JUNE 2001

	Notes	Budget 2001 \$000	Actual 2001 \$000
EQUITY AT BEGINNING OF THE PERIOD		0	0
Net deficit for the period		(932)	(8,969)
<i>Total recognised revenues and expenses for the period</i>		<u>(932)</u>	<u>(8,969)</u>
OTHER MOVEMENTS			
Contributions from owners*	2(a)(c),16	87,020	80,127
Revaluation of fixed assets	2(c)	0	(374)
Reduction in revaluation reserve due to disposals		(2,555)	0
New contributions from owners		6,105	11,504
EQUITY AT THE END OF THE PERIOD		<u>89,638</u>	<u>82,288</u>

*This represents the net assets of the HHS that were vested in Capital & Coast DHB effective 1 January 2001 (refer note 16).

The accompanying accounting policies and notes form part of these financial statements.

Capital and Coast DHB

Statement of Financial Position

AS AT 30 JUNE 2001

	Notes	Budget 2001 \$000	Actual 2001 \$000
EQUITY			
General Funds	2(a)	90,570	89,076
Retained earnings	2(b)	(932)	(8,969)
Revaluation reserves	2(c)	0	2,181
Total equity		<u>89,638</u>	<u>82,288</u>
REPRESENTED BY:			
ASSETS			
Current assets			
Cash		0	134
Receivables and prepayments	3	33,400	35,093
Inventories	4	3,799	3,851
Trust and patient funds	2(d)	8,151	8,504
Total current assets		<u>45,350</u>	<u>47,582</u>
Non current assets			
Fixed assets	5	243,012	217,154
Endowment / trust properties	6	0	10,195
Total non current assets		<u>243,012</u>	<u>227,349</u>
Total assets		<u>288,362</u>	<u>274,931</u>
LIABILITIES			
Current liabilities			
Payables and accruals	7	22,000	20,162
Employee entitlements	8	22,968	20,748
Current portion of term loans	9	0	60
Total current liabilities		<u>44,968</u>	<u>40,970</u>
Non current liabilities			
Employee entitlements	8	1,884	1,936
Term loans	9	151,749	149,668
Patient funds		123	69
Total non current liabilities		<u>153,756</u>	<u>151,673</u>
Total liabilities		<u>198,724</u>	<u>192,643</u>
NET ASSETS		<u>89,638</u>	<u>82,288</u>

For and on behalf of the Board



2 October 2001



2 October 2001

The accompanying accounting policies and notes form part of these financial statements.

Capital and Coast DHB

Statement of Cash Flows

FOR THE PERIOD ENDED 30 JUNE 2001

	Notes	Budget 2001 \$000	Actual 2001 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from MOH and patients		120,548	134,572
Other revenue		12,783	8,533
Interest received		0	2
		<u>133,331</u>	<u>143,107</u>
Cash was disbursed to:			
Payments to employees and suppliers		124,598	134,672
Capital charge		4,134	3,704
Interest paid		5,152	5,103
GST (net)		0	1,358
		<u>133,884</u>	<u>144,837</u>
Net cash inflow/(outflow) from operating activities	10	(553)	(1,730)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from sale of fixed assets		10,566	197
		<u>10,566</u>	<u>197</u>
Cash was applied to:			
Purchase of fixed assets		24,220	17,763
Increase in other investments		0	0
		<u>24,220</u>	<u>17,763</u>
Net cash inflow/(outflow) from investment activities		(13,654)	(17,566)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
New equity		6,105	4,385
Proceeds from term loan		10,376	16,501
Cash vested from HHS		0	818
		<u>16,481</u>	<u>21,704</u>
Cash was applied to:			
Capital Charge due from 31.12.2000 (HHS distribution)		2,274	2,274
Net cash inflow/(outflow) from financing activities		14,207	19,430
Net increase in cash held		0	134
Add opening cash		0	0
Closing cash balance		<u>0</u>	<u>134</u>
Made up of:			
Cash		<u>0</u>	<u>134</u>
Closing cash balance		<u>0</u>	<u>134</u>

The accompanying accounting policies and notes form part of these financial statements.

Capital and Coast DHB

Statement of Contingent Liabilities

AS AT 30 JUNE 2001

	2001 \$000
Legal proceedings and disputes by third parties	390

Statement of Commitments

AS AT 30 JUNE 2001

	2001 \$000
Capital commitments	8,599
Non-cancellable operating lease commitments:	
Less than one year	5,664
One to two years	3,394
Two to five years	3,421
Over five years	612
	<hr/> 21,690

Other non-cancellable contracts

The DHB has entered into non-cancellable contracts for the provision of services. Details of the commitments under these contracts are as follows:

	2001 \$000
Not later than one year	8,934
Later than one year and not later than two years	3,293
Later than two years and not later than five years	1,204
	<hr/> 13,431
Total commitments	<hr/> <hr/> 35,121

Capital and Coast DHB

Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2001

Note 1: Operating surplus/(deficit)

	2001 \$000
<i>After charging</i>	
Remuneration of auditor	
▲ audit fees	99
▲ other services	0
Depreciation	6,992
Net loss on sale of fixed assets	44
Board Members' fees	133
Interest expense	4,987
Rental and operating lease costs	3,064
Bad debts written off	111
Changes in provision for doubtful debts	(64)
<i>After crediting:</i>	
Interest income	2
Other trading activities	6,800

Note 2: Public Equity

	2001 \$000
(a) General Funds	
Opening balance	0
Equity vested from HHS (refer Note 16)	77,572
New contribution from owners	11,504
	<u>89,076</u>
	2001 \$000
(b) Retained earnings	
Retained earnings at 1 January	0
Operating surplus/(deficit)	(8,969)
Retained earnings at 30 June	<u>(8,969)</u>
	2001 \$000
(c) Reserves	
<i>Land revaluation reserve</i>	
Opening balance	0
Revaluation reserve vested from HHS (note 16)	2,555
Revaluation	(374)
Closing balance	<u>2,181</u>
(d) Trust funds	
Trust funds are funds donated or bequested for a specific purpose. The use of these assets must comply with the specific terms of the sources from which the funds were derived.	
Revenue and expenditure in respect of these Trusts is recognised in the Statement of Financial Performance. An amount equal to the expenditure is transferred from the Trust Fund component of Equity to Retained Earnings. An amount equivalent to the revenue is transferred from Retained Earnings to the Trust Fund.	
Capital & Coast DHB administers certain funds on behalf of patients. These funds are held in a separate bank account and any interest earned is allocated to the individual patient balances. Therefore, the transactions during the period and the balance at 30 June are not recognised in the Statements of Financial Performance, Financial Position or Cash Flows of Capital & Coast DHB.	
	2001 \$000
Balances of trust funds transferred from HHS (refer Note 16)	8,175
Transfer from retained earnings in respect of:	
▲ Funds received	316
▲ Interest received	272
Transfer to retained earnings in respect of funds spent	(329)
Balance 30 June	<u>8,434</u>
Balances of Patient Funds transferred from HHS (refer note 16)	62
▲ Funds received	90
▲ Interest received	1
Payments made	(83)
Balance 30 June	<u>70</u>
Total trust and patient funds	<u>8,504</u>

Note 3: Receivables and prepayments

	2001 \$000
Trade debtors	24,487
Provision for doubtful debts	(282)
Crown equity due	7,119
Accrued income	3,087
Prepayments	682
Total receivables and prepayments	<u><u>35,093</u></u>

Note 4: Inventories

	2001 \$000
Pharmaceuticals	757
Surgical and medical supplies	2,997
Other supplies	97
	<u><u>3,851</u></u>

No inventories are pledged as security for liabilities but some inventories are subject to retention of title clauses (Romalpa Clauses). The value of stocks subject to such clauses cannot be quantified due to the inherent difficulties in identifying the specific inventories affected at year end.

Note 5: Fixed assets

	2001 \$000
Land	
At cost	5,939
Land – net current value	5,939
Buildings	
At cost	163,697
Accumulated depreciation	(55,164)
Buildings – net current value	108,533
Plant and equipment	
At cost	126,617
Accumulated depreciation	(50,934)
Plant and equipment – net book value	75,683
Capital work in progress	
At cost	26,999
Total fixed assets	<u>323,252</u>
At cost and valuation	323,252
Accumulated depreciation	(106,098)
Total carrying amount of fixed assets	<u><u>217,154</u></u>

Land and buildings

Land and Buildings are disclosed at the valuations, and accumulated depreciation, transferred from Capital & Coast Health Limited. They have not yet been revalued by the DHB in accordance with its fixed asset policy.

Work in progress includes \$4,851,000 of capitalised costs incurred to 30 June relating to the new regional hospital.

Restrictions

Capital & Coast DHB does not have full title to Crown land it occupies but transfer is arranged if and when land is sold. Some of the DHB's land is subject to Waitangi Tribunal claims. The disposal of certain properties may be subject to the provisions of s 40 of the Public Works Act 1981.

Titles to land transferred from the Crown to Capital & Coast DHB are subject to a memorial in terms of the Treaty of Waitangi Act 1975 (as amended by Treaty of Waitangi (State Enterprises) Act 1988). The effect on the value of assets resulting from potential claims under the Treaty of Waitangi Act 1975 cannot be quantified.

Valuation

The Board Members consider the latest Government valuations shown below for land and buildings as at September 1998 (Porirua) and September 2000 (Wellington, Paraparaumu) are an indication of fair value. No consideration has been taken of the announcement relating to a new regional hospital.

	2001
	\$000
Land	14,504
Buildings	193,161

Note 6: Endowment/trust properties

	Revaluation Movement \$000	Valuation 2001 \$000	Vested from HHS \$000
Endowment	(374)	8,105	8,479
Trust		2,090	2,090
Total endowment/trust properties	<u>(374)</u>	<u>10,195</u>	<u>10,569</u>

These assets were valued by E F Gordon & Co, Independent Registered Valuers, as at 30 June 2001. The values were estimated at open market value less estimated costs of disposal.

The endowment properties were originally gifted to the Wellington Hospital. These properties are subject to the restriction that when sold the equivalent capital value must be maintained to provide a future revenue stream.

Interest earned on the proceeds from the properties sold by 30 June 2001 was \$685,000.

The trust properties were gifted for specific purposes.

Note 7: Payables and accruals

	2001
	\$000
Trade creditors and accruals	12,274
Revenue in advance	908
Capital charge due to the Crown	771
Accrued expenses	6,209
Total payables and accruals	<u><u>20,162</u></u>

Note 8: Employee entitlements

	2001 \$000
Salary accruals	4,654
Annual leave provision	13,825
Retirement gratuities and long service leave provisions	2,470
Other	1,735
	<u>22,684</u>
Made up of:	
Current	20,748
Non-current	1,936
	<u>22,684</u>

Note 9: Term loans

	2001 \$000
RHMU (CFA) debt	30,167
Bank revolving credit	35,730
Bond holders	19,694
Capital & Coast notes	64,000
Energy Efficiency & Conservation loan	137
Total	<u>149,728</u>
Less current portion	(60)
Non current position	<u>149,668</u>
Interest rate summary	
RHMU (CFA)	8.00%pa
Revolving credit	5.97%pa
Notes	8.04%pa
Repayable as follows:	
One to two years	30,167
Two to five years	119,501

The CFA term liabilities are secured by a negative pledge. Without CFA's prior written consent Capital & Coast DHB cannot perform the following actions in the following areas.

- a Security interest: Create any security interest over its assets except in certain defined circumstances.
Or
- b Loans and guarantees: Lend money to another person (except in the ordinary course of business and then only on commercial terms), or give a guarantee.
Or
- c Change of business: Make a substantial change in the nature or scope of its business as presently conducted.
Or
- d Disposals: Dispose of any of its assets except disposals made in the ordinary course of its ordinary business or disposals for full value.
Or
- e Provided services: Provide services to or accept services from a person other than for proper value and on reasonable commercial terms.

Term loans are not guaranteed by the Government of New Zealand.

Note 10: Reconciliation of net surplus/(deficit) with net cash flow from operating activities

	2001
	\$000
Net surplus/(deficit)	(8,969)
<i>Add/(less) non-cash items:</i>	
Depreciation/assets written down	6,992
Total non-cash items	<u>(1,977)</u>
<i>Add/(less) item classified as investment activity:</i>	
Net loss/(gain) on sale of fixed assets	44
Total investing activity items	<u>44</u>
<i>Add/(less) movements in working capital items:</i>	
(Increase)/decrease in receivables and prepayments	(423)
(Increase)/decrease in inventories	348
Increase/(decrease) in payables and accruals	(1,173)
Increase/(decrease) in provisions	1,711
(Increase)/decrease in restricted assets, patient funds	(260)
Working capital movement – net	<u>203</u>
Net cash (outflow)/inflow from operating activities	<u><u>(1,730)</u></u>

Note 11: Related parties transactions

Capital & Coast DHB is a wholly owned entity of the Crown. The Government significantly influences the role of the DHB as well as being its major source of revenue.

The DHB enters into numerous transactions with government departments and other Crown agencies on an arm's length basis and where those parties are only acting in the course of their normal dealings with the DHB. These transactions are not considered to be related party transactions.

Related party transactions and balances

(a) Funding

Capital & Coast DHB received \$135 million from the Ministry of Health to provide health services to the Capital & Coast area in the six months ended 30 June 2001.

The amount outstanding at year end was \$22,800,000.

(b) Key management and Board Members

During the financial period there were no related party transactions, other than disclosed in the Board Report.

No related party debts have been written off or forgiven during the year.

Note 12: Financial instruments

Capital & Coast DHB is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable, trade creditors and loans.

The DHB has a series of policies providing risk management for interest rates and the concentration of credit. The DHB is risk averse and seeks to minimise exposure from its treasury activities. Its policies do not allow any transactions which are speculative in nature to be entered into.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from investments.

The DHB utilised a selection of interest rate hedging techniques to manage its interest rate risk.

The interest rates on the group's borrowings are disclosed in note 9. CFA and other loans are at fixed interest rates.

There is a \$9,000,000 interest rate swap in place at 30 June 2001 which converts \$9m of fixed debt (8.08%) to floating debt. The valuation as at 30 June 2001 was a \$213,812 benefit to Capital & Coast DHB.

Unused Facilities

As at 30 June 2001 Capital & Coast DHB had available committed borrowing facilities of \$34,270,000 but these were offset by \$19,694,000 of uncommitted borrowings.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Capital & Coast DHB undertakes transactions denominated in foreign currencies from time to time and exposures in foreign currency arise from these activities. It is the DHB's policy to hedge any such risks using forward and spot foreign exchange contracts to manage these exposures.

There were no foreign exchange contracts in place at balance date.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the DHB, causing the DHB to incur a loss.

Financial instruments which potentially subject the DHB to risk consist principally of trade receivables and financial institutions.

The DHB deals with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution. Accordingly, the DHB does not require any collateral or security to support financial instruments with organisations it deals with.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Ministry for 93 percent of Capital & Coast DHB's revenue. However, the Ministry is a high credit quality entity, being the government funder of health and disability support services.

Fair value

The fair value of other financial instruments is approximated by the carrying amount disclosed in the Statement of Financial Position

Note 13: Board Members remuneration

The Board of Capital & Coast DHB as at 30 June 2001, and those who ceased to hold office during the six month period ended on that date, are set out below together with details of their remuneration, received or receivable, for that period:

	\$000s
Bob Henare (Chair)	28
John Cody	14
John Forman	15
Margaret Faulkner QSM	15
Harley Gray	13
Beverley Lawton	14
John McEnteer	19
Tino Pereira	14
	<hr/>
	\$133

Note 14: Capital Charge

The DHB pays a capital charge monthly to 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 2001 was 11.0%.

Note 15: Employee remuneration

The number of employees or former employees who received remuneration and other benefits of \$100,000 or more per annum on an annualised basis within specified \$10,000 bands was as follows :

Total remuneration and other benefits	Number of employees
\$(000)	
100 - 110	18
110 - 120	13
120 - 130	15
130 - 140	18
140 - 150	14
150 - 160	11
160 - 170	8
170 - 180	7
180 - 190	5
190 - 200	4
200 - 210	1
210 - 220	1
220 - 230	1
240 - 250	1
250 - 260	2
260 - 270	1
270 - 280	1
340 - 350	1

The chief executive's remuneration and other benefits is in the \$340,000 to \$350,000 bracket.

Of the 122 employees shown above, 106 are or were medical or dental employees and 16 are or were neither medical nor dental employees.

If the remuneration of part-time employees were grossed-up to an FTE basis, the total number of employees with FTE salaries of \$100,000 or more would be 172, compared with the actual total number of employees of 122.

Note 16: Vesting of assets

Capital & Coast 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 the Capital & Coast Health Ltd vested in the DHB at their carrying values as recorded in the books of the HHS. The net value of the assets vested is recognised as a capital contribution by the Crown, the owner of both the HHS and the DHB.

The assets and liabilities vested in the board were;

Assets

Current assets

Cash	818
Receivables and prepayments	27,551
Inventories	4,199
Donated funds	8,175
Patient funds	62

Total current assets 40,805

Non current assets

Endowment / trust properties	10,569
Fixed assets	208,882

Total non current assets 219,451

Total assets 260,256

Liabilities

Current liabilities

Payables and accruals	25,868
Employee entitlements	19,211
Current portion of term loans	30,268

Total current liabilities 75,347

Non current liabilities

Employee entitlements	1,761
Donations and patient funds	62
Term loans	102,959

Total non current liabilities 104,782

Total liabilities 180,129

NET ASSETS transferred to the DHB (Refer Statement of Movement in Equity) 80,127

Comprising:

General Funds (refer Note 2 (a))	77,572
Revaluation reserve (refer Note 2 (c))	2,555

80,127

Report of the Audit Office

TO THE READERS OF THE FINANCIAL STATEMENTS OF CAPITAL AND COAST DISTRICT HEALTH BOARD

FOR THE SIX MONTHS ENDED 30 JUNE 2001

We have audited the financial statements on pages 14 to 38. The financial statements provide information about the past financial and service performance of Capital and Coast District Health Board and its financial position as at 30 June 2001. This information is stated in accordance with the accounting policies set out on pages 22 to 24.

Responsibilities of the District Health Board

The New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989 requires the District Health Board to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of Capital and Coast District Health Board as at 30 June 2001, the results of its operations and cash flows and the service performance achievements for the six months ended 30 June 2001.

Auditor's responsibilities

Section 43(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the District Health Board. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed Paul D Helm, 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 Capital and Coast District Health Board's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally

accepted auditing standards, including 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 Controller and Auditor-General, we have no relationship with or interests in the Capital and Coast District Health Board.

Unqualified opinion

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

In our opinion the financial statements of the Capital and Coast District Health Board on pages 14 to 38 :

- comply with generally accepted accounting practice; and

fairly reflect:

- the financial position as at 30 June 2001;
- the results of its operations and cash flows for the six month period ended on that date; and
- the service performance achievements in relation to the performance targets and other measures adopted for the six month period ended on that date.

Our audit was completed on 2 October 2001 and our unqualified opinion is expressed as at that date.



Paul D Helm
Audit New Zealand
On behalf of the Controller and Auditor-General
Wellington, New Zealand

Provider Arm

The provider arm of Capital and Coast DHB is known as Capital Coast Health. It is the leading provider of specialist health, disability support and mental health services, inpatient and community delivered, in the central region of New Zealand. It is one of the country's regional tertiary services centres.

With around 3,500 staff (3000 full-time equivalents) and an annual payroll approaching \$160 million, Capital Coast Health is a major employer in the Wellington region and one of New Zealand's largest providers of health and disability services.

Capital Coast Health operates hospitals at Wellington and Kenepuru, a small maternity and outpatient hospital at Paraparaumu, and a number of community bases.

The organisation provides primary and secondary (mainstream hospital) health services to more than 250,000 people living in Wellington City and its suburbs, the Porirua Basin, and the Kapiti Coast.

Specialist tertiary-level care is provided to patients from the wider region, serving a population base of about 900,000. These services include cardiology and cardiothoracic surgery, neurology, neurosurgery, vascular surgery, renal medicine and transplants, genetics, oncology, paediatric surgery, neonatal intensive care, obstetrics, endocrinology, gynaecology, orthopaedics and urology, and specialised forensic services.

The Hospitals

Wellington Hospital

Wellington Hospital is the largest facility operated by Capital Coast Health. It provides a comprehensive range of specialist services.

Wellington hospital is also the region's main emergency and only trauma centre, with a rooftop helipad providing a direct link to surgical, intensive care and emergency services.

As a major teaching hospital, Wellington provides an educational environment for medical students of the University of Otago's Wellington School of Medicine and for the Malaghan Institute (medical research), both of which are situated on the same campus. Post-graduate training for doctors and other clinical professionals is conducted by the Medical School in such areas as physician, surgery, anaesthetics, paediatrics and radiotherapy. Capital Coast Health also has relationships with other tertiary institutions, particularly in the area of nursing training.

Kenepuru Hospital

This secondary facility caters to communities to the north of Wellington, including Porirua and Kapiti.

The hospital provides medical, surgical, maternity and child health services, plus services for the elderly, a specialist inpatient and rehabilitation service, and outpatient clinics. Mental health services are delivered from separate inpatient facilities, including the acute psychiatric unit Te Whare Rangatuhi, and the Purehurehu Unit (forensic mental health).

Multidisciplinary services for children and adolescents with emotional, behavioural or developmental concerns are provided at the Puketiro Centre adjacent to the hospital. The Centre also provides audiology services for people of all ages in the Porirua area.

Paraparaumu Hospital

This small community hospital provides maternity services and outpatient treatment clinics for the people of Kapiti. Multidisciplinary assessment and treatment programmes for the community's elderly are also based at the hospital.

Community Services

In addition to hospital-based services, multidisciplinary services are provided in the community. Community health services include general and specialist district nursing, specialist multidisciplinary rehabilitation services, occupational therapy, speech language therapy, physiotherapy, dietetics, social work and home support services.

Mental health services are also provided extensively in the community. A wide range of crisis, assessment, treatment, consulting, liaison and training services are delivered to consumers in the Wellington and Porirua area, greater Wellington (including Hutt Valley) and throughout the Central region. Included in the range of services is the alcohol and drug services and the specialist Maori Mental Health Service that has a focus inclusive of child, adolescent and family, adult and day programs.

Board and Committees

The following Board members were appointed by the Minister of Health on 1 January 2001 and held office through to 9 December 2001.

Bob Henare (Chair)
John Cody
Margaret Faulkner
John Forman
Harley Gray
Beverley Lawton
John McEnteer (Deputy Chair)
Tino Pereira

The Advisory Committees consisted of the following Board members from February 2001 to December 2001. In addition, the following non-Board member external appointees were added at various stages from August through to December 2001.

	Board Members	External Appointees
Community and Public Health Advisory Committee	John McEnteer (Chair) John Cody John Forman Beverley Lawton Tino Pereira Bob Henare	Stephen Palmer Kiri Parata Margaret Southwick Herani Demuth
Disability Support Advisory Committee	John Forman (Chair) John Cody Margaret Faulkner Bob Henare John McEnteer	Valerie Bos David Heather Luatupu Ioane-Cleverley Grace Moulton Wendi Wicks Liz Mellish
Hospital Advisory Committee	Margaret Faulkner (Chair) Harley Gray Beverley Lawton John McEnteer Tino Pereira Bob Henare	Marion Bruce Lilian Falealuga Don Mackie

Chief Executive Officer
Mrs Margot Mains

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