



Bay of Plenty District Health Board

FINAL Statement of Intent

1 July 2008 – 30 June 2011

18/06/08

... Our Vision
Tirohanga Whakamuri

healthy thriving communities
Kia momoho te haponi oranga



The Bay of Plenty District Health Board (BOPDHB) has been permitted to adopt the name Hauora ā Toi.

The name Hauora ā Toi originated from Mr Ngaropo who engaged whānau, hapū, and iwi across the traditional boundaries of Mai i nga Kuri i Whareki Tihirau to form the BOPDHB Māori Health Rūnanga (the Rūnanga). Mr Ngaropo also engaged with Kawerau artist Edward Hunia who used the above information as his inspiration for a tohu as a graphic representation of Hauora ā Toi. From this design, the BOPDHB logo was born. Mr Hunia also created a mural for Ko Matariki, the maternity unit at Whakatane Hospital.

Hauora ā Toi translates to mean the sacred breath of life that begins from the Creator and transcends to all facets of the universe.

Hā	means the breath of life
ū	means the life force instilled within the human element
ō	is the nourishment and sustenance received from the Creator, from the ancestors, which connects us to the land and to the people
rā	is the energy and well being of all things
Toi	is the ancestor who established the boundaries within the Bay of Plenty region. Toi also translates to mean people - holistic dimensions of health.

EXECUTIVE SUMMARY

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

This document is intended to outline for Parliament and the general public the performance that will be delivered during 2008/09 by Bay of Plenty District Health Board and contains non-financial and financial forecast information for 2008 to 2011. The agreed performance measures are in the context of the government's strategic and service priorities for the public health and disability sector.

The Bay of Plenty District Health Board has a number of distinct features including the highest population growth of all the District Health Boards. Eighteen Iwi are located within the Bay of Plenty District Health Board area. It has the highest number of Maori providers and a large percentage of the population live in socio-economic deprivation. These unique characteristics provide both opportunities and challenges in the development and delivery of services.

The unique nature of Bay of Plenty District Health Board requires an integrated approach in the planning of services for Maori. The Bay of Plenty District Health Board and Runanga are committed to supporting Iwi to develop their own Iwi Health Plans and utilise the He Pou Oranga Tangata Whenua Framework to complement their plan. These tools will enable whanau, hapu and Iwi to exercise management over their health within their rohe, and provide a strategic framework to identify health goals, strategies and outcomes that are relevant and meaningful for Iwi.

Bay of Plenty District Health Board is committed to making a positive difference to the health status of the community with an underlying focus on;

- reducing inequalities;
- ensuring service development is 'value for money'; and
- infrastructure and workforce capability and capacity.

The District Health Board is moving towards consistent application of the Health Equalities Assessment Tool (HEAT), to ensure a reducing inequalities lens is applied to all service development. Bay of Plenty District Health Board's Public Health Unit provides inequalities training to staff to increase awareness, knowledge and skills to act on and advocate for reducing health inequalities.

2008/2009 promises to be a challenging year. Three themes that need to be advanced together are;

- developing collaborative opportunities;
- sustainability; and
- improvement in the management of chronic conditions.


It will take a coordinated and cooperative approach across agencies to address all of the factors that contribute to poor health status.

The Bay of Plenty District Health Board will continue to address the determinants of chronic disease, such as obesity and smoking through the national Healthy Eating Healthy Action and Tobacco Control initiatives. To remain sustainable we must: engage with the primary sector and community around planning; develop the Bay of Plenty Clinical Training School concept; achieve better value for money whilst managing acute demand, chronic disease management and population health.


Bay of Plenty District Health Board will continue to work towards local and national collective achievement of the Ministers health priority areas and health targets, including the national Quality Improvement initiatives.

Areas of focus in 2008/2009 include Oral Health, Ambulatory Sensitive Hospitalisation, Immunisation and Diabetes.

The activities Bay of Plenty will deliver in the short to mid term take this District Health Board one step closer to achieving our strategic vision of "Healthy Thriving Communities".



Signature
(Mary Hackett – Chairperson)



Signature
Board Member

OUR VISION, MISSION & VALUES

Our Vision Tirohanga Whakamuri

healthy thriving communities
Kia momoho te hāpori ōranga

Mission

“Enabling communities to achieve good health and independence and ensure access to high quality services.”

Values

The BOPDHB values:

- **Cultural values** – We will acknowledge, preserve and promote Mana Ātua, Mana Tūpuna, Mana Whenua and Mana Tāngata
- **Accountability** – We are accountable to our communities and Government
- **Collaboration** – We will work with others and value the contribution we all make
- **Flexibility** – We will allow for the variation in needs and solutions required for the different communities
- **Integrity** - We will be honest, forthright and open in our transactions, planning and deliberations
- **Good employer** – We will be a “good employer” by building relationships of mutual trust and respect with staff. We will strive to become an “employer of choice”
- **Evidence-based** – We will ensure all decisions are based on information as to what works, when, for whom and by whom
- **Knowledge** – We will work with others to build and share knowledge

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1.0 INTRODUCTION

1.1. About the Statement of Intent

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

This document is the Bay of Plenty District Health Board's Statement of Intent is for the three-year period 2008/2009 to 2010/2011. The Statement of Intent describes to Parliament and the communities of the Bay of Plenty District what the District Health Board intends to achieve over the next three years in terms of reducing inequalities, promoting, enhancing and facilitating the health, and well-being of the people in our district. Further detail on specific actions and activity for the Bay of Plenty District Health Board over the coming year can be found in our DAP 2008/2009.

Our Statement of Intent is closely aligned to and consistent with major government strategies and accountability documents including the;

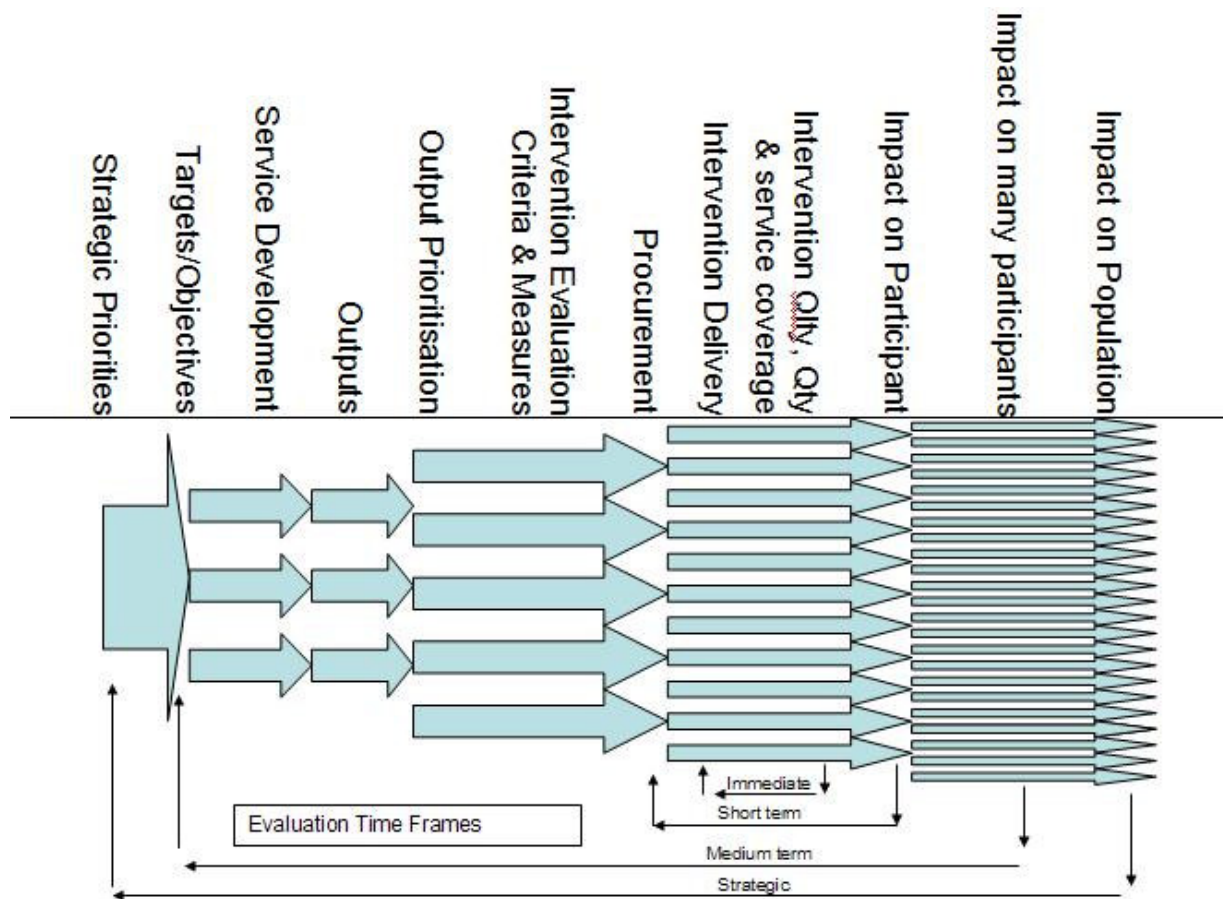
- New Zealand Public Health and Disability Act 2000;
- Crown Entities Act 2004;
- Public Finance Act 1989 (and subsequent amendment acts);
- Bay of Plenty District Health Board District Annual Plan (DAP);
- Bay of Plenty District Health Board District Strategic Plan (DSP)
- Bay of Plenty District Health Board District Crown Funding Agreements (CFA);
- The New Zealand Health Strategy (2000);
- The New Zealand Disability Strategy (2001);
- He Korowai Oranga (Maori Health Strategy, 2002);
- Te Tāhuhu: Improving Mental Health 2005-2015 (2005);
- The Health of Older People Strategy (2002);
- The Primary Health Care Strategy (2001); and
- The Pacific Health and Disability Action Plan (2002).

This Statement of Intent includes;

- a statement of forecasted service performance that the DHB will seek to achieve during 2008/2009, and the two subsequent financial years, with non-financial performance measures and targets for the three output classes (i.e., the governance, funder and provider parts of the District Health Board (see Section 6) it delivers; and
- prospective financial forecast for 2008/09 and the two subsequent years (see Section 7).

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

Diagram 1 illustrates the linkages between national priorities and strategies, Minister of Health's health targets, Bay of Plenty District Health Board local priorities and the impact on population health.



1.2. Reporting to the Minister of Health

Crown Funding Agreement reporting is done quarterly in line with Ministry of Health requirements. This monitors District Health Board performance against the Crown Funding Agreement and the indicators of District Health Board performance. The District Health Board reports to the Minister of Health,

- Annually through The Statement of Intent, Annual Financial Statements and Annual Report,
- Quarterly to the Minister of Health through the Crown Funding Agreement monitoring and performance reporting, Hospital Benchmarking Information and Risk Reporting, Project Leo Assurance Report¹ and ,
- Monthly to the Minister of Health through financial reporting against the District Annual Plan, Elective Services Performance Indicators, National Health Index reporting, National Minimum Data Set (Hospital Events), National Booking Reporting System, Ethnicity data, Medical Warning System, Mental Health Information Collection System and National Immunisation Register.

Triennially the District Health Board reports on the District Strategic Plan, with the next plan anticipated to be completed by July 2009.

¹ Project LEO (which stands for Leading Edge Organisation) is the project that is overseeing the redevelopment of Tauranga Hospital campus.

2.0 OUR PEOPLE

This section describes Bay of Plenty District Health Board's region. It outlines the geographical location and the population profile, identifies health issues for the Bay of Plenty district, and describes how this operating environment influences the choices Bay of Plenty District Health Board makes.

2.1 Population Information

The Bay of Plenty District Health Board covers the geographical area made up by the following Local Government Authorities: Western Bay of Plenty, Tauranga City, Kawerau District, Whakatane and Opotiki District.

The Demography of the BOPDHB Population

The Bay of Plenty District Health Board has a diverse population with very different demographic characteristics in the East and the West;

- The Eastern Bay of Plenty has a young population with a high proportion of Maori, slow population growth and a high level of socio-economic deprivation;
- The Western Bay of Plenty has an older population with a lower proportion of Maori, one of the fastest population growth rates in New Zealand and a relatively low level of socio-economic deprivation; and
- The Bay of Plenty District Health Board population has been increasing at a rapid rate in the last decade with a growth rate of 1.7% per year between 1996 and 2006. This high level of population growth is expected to continue but population projections suggest that the rate will reduce to around 1.4% per year in the period 2006-2011.

Compared with New Zealand as a whole, the Bay of Plenty District Health Board has population with;

- slightly lower income level;
- higher proportion of one parent families;
- higher proportion of people with no qualifications;
- higher proportion of regular smokers;
- higher proportion of Maori;
- faster population growth rate; and
- higher proportion of the population living in NZDep2006 Quintile 5 areas (socio-economically deprived).

Other key points about the demography of the Bay of Plenty District Health Board that are important for planning are listed below;

- rapidly increasing populations of Pacific Island and Asian people;
- rapid growth in Tauranga City (and in the low deprivation parts of the city);
- nearly 80% of population will live in the Western BOP by 2016;
- high inward migration from other parts of New Zealand;
- a very high proportion of the Eastern Bay of Plenty population lives in Quintile 5 areas but half the total Bay of Plenty District Health Board Quintile 5 population lives in the Western Bay of Plenty;
- approximately 16% of the Bay of Plenty population are aged 65 years or more compared with 12% for New Zealand as a whole (2006 Census); and
- approximately 24% of the Bay of Plenty Maori population are aged 65 years or more compared with 14% for New Zealand as a whole (2006 Census).

Health Status Trends

Bay of Plenty District Health Board rates exceed the New Zealand rate for the following risk factors, diseases and conditions:

Indicators for which the Bay of Plenty Rate Exceeds the New Zealand Rate

<ul style="list-style-type: none">▪ Tobacco smoking▪ Obesity▪ High blood pressure▪ Melanoma▪ Lung cancer▪ Breast cancer	<ul style="list-style-type: none">▪ Burns and falls (age < 5 years)▪ Suicide mortality▪ Poor oral health status▪ Rheumatic fever▪ Avoidable hospitalisation
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Maori Health Status

Maori health status is worse for a range of conditions compared with non-Maori in the Bay of Plenty and compared with Maori in New Zealand as a whole. Some key diseases and conditions are listed below.

Key Diseases and Conditions for which Maori in the BOPDHB have High Rates

<ul style="list-style-type: none">▪ Cardiovascular disease▪ Cancer▪ Diabetes and renal disease▪ Respiratory conditions▪ Skin conditions	<ul style="list-style-type: none">▪ Pregnancy complications▪ Perinatal conditions▪ Infectious diseases▪ Mental health▪ Injuries
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Analysis of avoidable mortality rates for the BOPDHB compared with New Zealand shows that:

The main causes of avoidable mortality in the BOPDHB are cardiovascular diseases, cancers and unintentional injuries;

- The overall Bay of Plenty avoidable mortality rate is approximately 10 percent greater than the New Zealand rate; and
- The BOPDHB rate is much higher than the New Zealand rate for both intentional injuries and unintentional injuries.

New Population

Since 2001 the Bay of Plenty Pacific Islands (Pacific) population has doubled from 1,800 to 3,700 (2006 Census). Just under 2% of the Bay of Plenty District Health Board population are Pacific Island people compared with just under 7% for New Zealand as a whole (2006 Census).

Approximately 80% of this population lives in the Western Bay of Plenty, the balance is scattered across the Eastern Bay. While a small population the growth rate is substantial, BOPDHB is currently identifying the health and health care needs of its Pacific population.

Rural and Urban Population Distribution

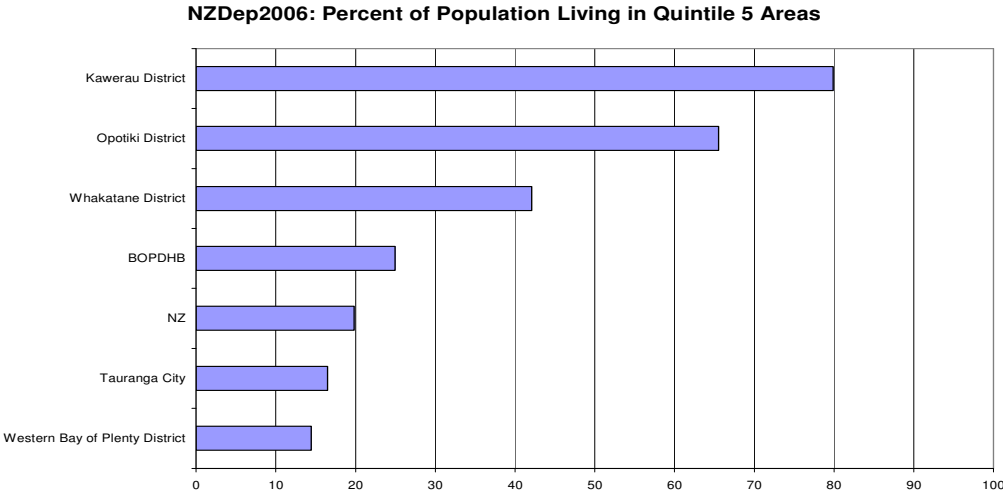
- At the time of the 2006 Census the total Bay of Plenty District Health Board population was 195,000 people. Over half lived in Tauranga City (104000);

- Townships include Whakatane (20000), Kawerau (7000), Te Puke (7000), Opotiki (4200), Katikati (3600), Murupara (1800) and Edgumbe (1600); and
- Just under one quarter of the population (46000 people) live in rural areas and small settlements.

Socio-economic Deprivation

- One quarter of the population live in NZDep2006 Quintile 5 areas (25%) compared with one in five for New Zealand (20%);
- Over half the population in the Eastern BOP lives in Quintile 5 areas (52%) compared with about one in six in the Western BOP (16%);
- The district with the lowest proportion living in Quintile 5 areas is Western BOP (15%) and the district with the highest proportion living in Quintile 5 areas is Kawerau (80%); and
- Nearly 50,000 people in the BOPDHB live in Quintile 5 areas - just under half (48%) live in the Western BOP and just over half (52% live in the Eastern BOP).

NZDep2006 Graph: BOPDHB



2.2 Our Health Profile - Priorities

In order to address the health status of our community it is important for us to understand the health status of our population and the conditions and illnesses, which are prevalent in the Bay of Plenty region. Health Needs Assessment analysis is ongoing within the Bay of Plenty District Health Board and assists in selecting long term health gain priority areas where we believe additional focus will improve our community’s health status.

The Bay of Plenty’s District Strategic Plan (2005 – 2015) has identified 6 key health outcome areas to concentrate in order to positively influence population health. These are;

1. Healthy children, youth and families;
2. Healthy, independent and dignified ageing;
3. Healthy Maori;
4. Health and independence for people with disabilities;
5. Improved health and independence for people with chronic conditions; and
6. Health Equity.

Reducing the chronic disease burden remains a high priority for Bay of Plenty District Health Board. Bay of Plenty health status rates exceed the national rates for a variety of conditions with Maori exceeding rates compared to non Maori for a variety of conditions within the Bay of Plenty. Disease prevention and the management and long-term illness is one of the Bay of Plenty District Health Board's six strategic priorities. We must continue to 'Get Ahead of the Game' with more focus on community education, patient education, early detection and well placed primary care interventions. Knowing our communities, their needs and how best the District Health Board can work with others to address disparities within the community will move us closer to seeing improved health outcomes for people with chronic conditions. Strategies include;

- Investment in health promotion for prevention;
- Strengthening investment in early diagnosis / early intervention to reduce the impact of chronic conditions;
- The development of a collaborative relationship with the Ministry of Social Development and Healthcare New Zealand to implement a pilot programme for training Home Support Workers;
- Continuation of the development of clinical care protocols through the Primary/Secondary Forum including;
 - A Technical Advisory Group (TAG)² structure that oversees and advises on continuum of care practices across the range of modifiable chronic conditions.
 - Scoping the development and resourcing of a 'point of consultation' risk identification and management tool.
 - Development of a secondary care chronic conditions continuity of care service.
 - Development and implementation of an appropriate patient self management programme.
 - Developing and implementing a District Cancer Control Action Plan.
 - Integration with Healthy Eating Healthy Action strategies;
- Implementation of the district wide Healthy Eating Healthy Action Plan; and,
- Broadening implementation of our Smokefree Hospitals Policy, through the further implementation of systems: to identify patients who are smokers; to provide mechanisms to support them being smokefree whilst in hospital; to identify patients who are motivated to remain smokefree on discharge, and refer them appropriately. The next phases of rollout will be maternal, child and youth services, and community services.

Oral health statistics for pre-school, school age and adolescents are sobering for the Bay of Plenty. The oral health status of Bay of Plenty five year olds has declined over the last five years. Our Child and Youth Technical Advisory Group and the Bay of Plenty Oral Health Programme of Care have identified improving child oral health status within the Bay of Plenty as a priority over 2008 and beyond. This will be achieved as we begin to implement the Ministry of Health's oral health reform with an increased emphasis on prevention and a change away from the traditional model of oral health delivery.

Implementing the Primary Healthcare strategy is an ongoing and collaborative process across a range of service sectors and professional disciplines. Timely and consistent primary health care can help prevent disease development, complications and hospitalisations. Bay of Plenty's ambulatory sensitive admission rates are slowly dropping for all age groups and ethnicity however the 0 – 4 age group for both Maori and Non Maori continues to be an area of concern. Work is being undertaken to understand the data with respiratory being a focus condition for children in this age group by the Child and Youth Technical Advisory Group.

Bay of Plenty has a poor uptake to childhood immunisations. In collaboration with our stakeholders, Bay of Plenty District Health Board will continue to expand on existing immunisation services to reinforce our commitment to increasing childhood vaccine preventable disease coverage rates.

2.3 Other priority areas

Improving Maori Health and Reducing Māori Health Inequalities

In accordance with government's health strategies and policies, and in particular section 4 of the New Zealand Public Health and Disability Act 2000 'Treaty of Waitangi', Bay of Plenty District Health Board is committed to reducing health inequalities and improving health outcomes for Maori. Healthy Maori is a key outcome and is outlined in the Bay of Plenty District Health Board Strategic Plan.

Bay of Plenty District Health Board is committed to enabling greater Maori participation at all levels of the health and disability sector. Bay of Plenty District Health Board has identified a number of ways in which to enable Maori to contribute to decision-making and to participate in the delivery of health and disability services within the District Health Board. The structure ensures Māori are involved at all levels of governance and decision-making, this includes;

- Maori Health Rūnanga (our Treaty partner), at a governance level;
- Maori Health Rūnanga / Iwi representatives are on each of the statutory and Board committees, at a governance level;
- Maori Health General Manager Planning and Funding, at an executive level;
- Maori Health Unit, Planning and Funding, at an operational level; and
- Maori Health Units and kaupapa services at District Health Board provider level.

The development and implementation of Iwi Health Plans further enables Maori to participate in the delivery of health and disability services by providing a strategic framework to identify health goals, strategies and outcomes specific to their Iwi. These Plans will be a key decision making tool.

The Rūnanga is made up of mandated representatives from the 18 Iwi in the region, the stated role is to;

- Provide leadership and strategic direction to the Bay of Plenty District Health Board at a governance level;
- Assist with the development of the ten year strategic plan; and
- Provide advice on all matters pertaining to the impact of health and disability services on Maori.

The Rūnanga will provide the principal mechanism for enabling Maori to;

- Contribute to decision making;
- Participate in the planning and delivery of health and disability services; and
- Provide a vehicle for effective consultation and engagement with whānau, hapū, and Iwi.

The 2008/2011 community responsiveness priorities specific to Maori services include;

- Representing the interests of whānau, hapū, and Iwi within the area served by the Board, the Rūnanga are key to assisting in identification of 'local solutions for local problems';
- Supporting the implementation of Iwi Health Plans to ensure providers and communities has the capacity to meet their own health and independence needs;
- Ensuring Maori can maximize their health, through the implementation of He Pou Oranga Tangata Whenua framework which can assist in the expression and application of Kaupapa Maori principles; and
- Introducing Kaupapa Maori specific services.

Initiatives progressing from 2009/2010 and through 2010/2011 include;

Provider Arm Initiatives

- He Ritenga^[3] Treaty of Waitangi Principles: Health Audit Framework which measures responsiveness of mainstream services to Maori will be implemented within a clinical setting; and
- Explore and implement Kaupapa Maori service integration models that provide effective integration of services across the continuum of care.

Planning and Funding Initiatives

- Implementation of Iwi Health Plans;
- Confirm traditional tangata whenua values, knowledge and institutions as key indicators of Toi Ora through development of Provider Service Specifications and implementation in service delivery;
- Mai Ī Ngā Kurī ā Whārei ki Tihirau workforce development plan completed and implementation staged to increase Maori workforce numbers and competency;
- Strategies for intervention are designed which will assist in the reduction in ambulatory sensitive (avoidable) hospital admissions for Maori; and
- Palliative care services specific to Maori are developed.

Sustainability

Bay of Plenty District Health Board will focus on being a sustainable organisation in terms of its services, infrastructure, environment and financial results. Bay of Plenty District Health Board will continue to strive to achieve the highest possible levels of efficiency and economy by reducing waste, applying lean thinking principles, and investing in value for money initiatives, and disinvesting in areas which are not making a difference. There will be a strong focus on;

- Workforce Development;
- National Quality Improvement Programme;
- National Value for Money Programme;
- Innovation;
- Whakatane Hospital Re-development Plan Implementation; and
- Tauranga Hospital Campus Redevelopment – Project Leo.

Collaboration/Relationships/Partnering

Bay of Plenty District Health Board will further develop and nurture two way relationships with stakeholders based on trust and transparency. This is critical to the success of hastening improved health outcomes for the community. Increased emphasis will be placed on joint planning with other health stakeholders to ensure a more streamlined, richer and more coherent approach is taken.

Local iwi play a key role in assisting the Bay of Plenty District Health Board to reach high need communities. The embedding of the Tangata Whenua He Pou Oranga framework and Iwi Health plans will support the development of whanau, hapu and iwi to exercise their management over health and to participate in health planning processes.

Increased emphasis on collaborating with local authorities, other DHB's, PHO's and intersectoral agencies will be a focus when planning services over the next year and beyond. Real value will be achieved in improved health outcomes for our community by working collaboratively when planning and delivering 'the right service, at the right place, at the right time by the right health professional'.

^[3] There are three complimentary documents for He Ritenga: (1) He Ritenga Treaty of Waitangi Principles Health Audit Framework; (ii) Guidelines: He Ritenga Treaty of Waitangi Principles Health Audit Framework; (iii) Summary Report: He Ritenga Treaty of Waitangi Principles Health Audit Framework

A review of the Bay of Plenty District Health Board's District Strategic Plan in 2008/2009 will provide an opportunity to engage with our community and our staff.

3.0 NATURE AND SCOPE OF ACTIVITIES

The activities of our District Health Boards fall into three groups (or "output classes"):

- Governance includes;
 - DHB Governance and Management
 - Managing Organisational Health
 - Quality and Safety
 - Building Capability
 - Productivity and Value for Money
 - Information Services
 - Workforce Development

- Planning and Funding

- Provision of Services includes:
 - Primary Health Care;
 - Provider Arm (Hospital and Specialist Services);
 - Electives
 - Mental Health Services;
 - Health and Disability Support Services
 - Maori Health; and,
 - Pacific Health.
 - Subsidiaries

3.1. DHB Governance and Management

The governance structure for District Health Boards is set out in New Zealand Public Health and Disability Act 2000. The Board consists of eleven members and they have overall responsibility for the operation of Bay of Plenty District Health Board. Seven of the members are elected as part of the three-yearly local body election process (held in October 2007) and up to four are appointed by the Minister of Health.

The Board must delegate sufficient authority to the Chief Executive Officer to allow him to manage the day to day operations of the DHB.

The Board has three Statutory Advisory Committees and two Committees of the Board which are made up of Board members and community representatives. The three advisory committees are a requirement under the New Zealand Public Health and Disability Act 2000. The Board is required to publish when and where it, or any of its subcommittees, is meeting.

Bay of Plenty Hospitals Advisory Committee (BOPHAC)

The Hospital Advisory Committee is a statutory committee covering hospital(s) within our District Health Board. The Hospital Advisory Committee monitors the financial and operational performance of the hospitals and assesses strategic issues relating to the provision of hospital services.

Community and Public Health Advisory Committee (CPHAC)

The role of the Community and Public Health Advisory Committee advises the board on issues that may affect our population's health.

This includes what services should be funded and/or provided by the District Health Board, and how the District Health Board's policies, will impact on our population. The Committee also analyses

relevant reports and makes recommendations to the Board. The Committee must ensure that any advice it provides the Board is consistent with the national strategies and government policy.

Disability Support Advisory Committee (DSAC)

The role of the Disability Support Advisory Committee is to advise the Board on the needs of the people with disabilities in our region and prioritise the use of the money provided for those with a disability. The committee ensures that the services provided or funded, and the policies adopted, promote the inclusion and participation of people with disabilities in our society, to maximise their independence.

Other BOPDHB Board Committees are;

- Audit, Finance & Risk Management Committee (AFRM) –The role of AFRM is to ensure that the BOPDHB complies with its financial accountabilities and responsibilities and to oversee the internal audit and risk management programmes;
- CEO Remuneration Committee –to fairly remunerate the CEO for their individual contribution to the overall performance of the organization; and,
- Estate and Facilities Committee –to oversee facilities redevelopment and maintenance for all DHB owned or leased sites and infrastructure.

To ensure the cohesiveness of the governance function, the Chair and Deputy Chair of the Board meet regularly with the chairs of the various Committees. In general, all meetings where the Board or any of its Statutory Committees make decisions are open to the public to attend, as observers. Certain discussions may be held without public presence as outlined within the NZPHD Act, 2000.

There are 11 DHB Board meetings per year and up to 7 meetings of the Statutory Committees. The Board meetings are held on the third Wednesday of the month and the Committees on the last Thursday. Details of Board and Committee meetings (agendas, minutes, membership, attendees) are publicly available on the website: www.bopdhb.govt.nz.

The Board has a strategic partnership with the Rūnanga. The Rūnanga has mandated representatives from the 18 iwi in the region. The Rūnanga provides the principal mechanism for enabling Maori to;

- contribute to decision making;
- participate in the planning and delivery of health and disability services; and
- provide a vehicle for effective consultation and engagement with whānau, hapū, and iwi.

3.1.1. Managing Organisational Health

Refer to Appendix 1 for Bay of Plenty District Health Board Organisational Structure.

While the responsibility for DHB performance rests with the Board, it has a delegation policy, assigning operational and management matters to the Chief Executive Officer. Our Board and the Chief Executive Officer ensure that their strategic and operational decisions are fully informed through appropriate involvement and support at all levels of the decision making process.

Executive support is provided by the Executive Management Team (EMT) consisting of General Managers of Planning and Funding, Corporate Services, Information Services, Human Resources, Governance and Compliance, Property Services and the Chief Operating Officer from the Provider Arm. Clinical leadership is provided at this level by the Clinical Director and Director of Nursing.

3.1.2 Quality and Risk

A key strategic objective within the Bay of Plenty District Health Board's Strategic Plan is: *To ensure clinical leadership, continuous quality improvement, breakthrough learning and innovations that positively influence the health and independence of the population.*

A Quality and Risk Management Plan, which sets out short, mid and long term strategic objectives has now been implemented. The Bay of Plenty District Health Board recognises that for continuous quality improvement to be successful, it must be based on the provision of comprehensive risk management processes and systems, which provide an underlying basis of safety for patients, staff and the organisation.

The Bay of Plenty District Health Board has converted to the Baldrige Quality Framework which provides criteria for Performance Excellence in Health.

There is a commitment to the national Quality Improvement Committees (QIC) focused and coordinated approach to quality improvement in the five quality improvement areas. The value for money component for Quality and Risk entails the use of internal database management to co-ordinate quality activities. This removes the need to pay annual licensing and upgrade fees.

3.1.3 Building Capability

Over the next 3 -5 years Bay of Plenty District Health Board will continue to co-operate with other DHB's and private providers to recruit and retain qualified and competent health professionals in the sector and specifically for the District Health Board.

World-wide shortages of health professionals across most disciplines are well documented. Bay of Plenty District Health Board is a proactive participant in DHBNZ Future Workforce Initiatives. Bay of Plenty District Health Board will be an employer of choice through strong commitment to and implementation of our 'Good Employer Policy 'and protocols.

Further development of the Bay of Plenty Clinical School during 2008/2009 is a key workforce development initiative for the District Health Board. The school has established relationships with the University of Auckland, Waikato University, Waiariki Institute of Technology and other education providers to implement clinical training initiatives that will attract and retain healthcare professionals. We will increase student numbers in those disciplines where we have current and predicted future shortages of qualified staff and create a multi-disciplinary training environment where students from all disciplines can interact educationally and socially.

3.1.4 Productivity and Value for Money

Bay of Plenty District Health Board accepts that to remain sustainable a value for money approach will require to be taken in every aspect of District Health Board activity. How to increase productivity within existing capacity and capability levels is challenging but not insurmountable with initiatives based on Lean Thinking principles including, improvement of the patient journey/flow and elimination of waste system wide. We see the national Quality Improvement initiative going hand in hand with the national Value for Money Initiative in shaping how District Health Board's proceed with the quest to strive for excellence in efficiency and effectiveness.

This District Health Board is particularly proud of the new Medical Admissions Planning Unit (MAPU) developed as a result of Tauranga Hospital campus redevelopment and a project around improving patient flow. This initiative resulted in up to 21% improvements in LOS (Length of Stay), decreased the number of medical outliers in surgical wards from 16% to as low as 2%, with a decrease in the readmission rate of patients.

Surgical Services have identified a number of Value for Money initiatives that would improve triage 3 and 4 compliance rates from approximately 61% to 75%, increase theatre utilisation, improve Registered Medical Officer (RMO) response time to meet 4hr time scales, Tauranga compliance currently at 34% to 90%, Whakatane from 73% to 90%, all acute patients will be operated on within 4 days of presentation at Emergency Department, currently on 76.3%, targeting 95%. The District Health Board will be working on these initiatives through 2008 and beyond.

Bay of Plenty District Health Board will work with the National Value for Money Programme to improve efficiency and effectiveness within our health services. Sustainability is a priority area for this District Health Board and we are committed to improving performance and increasing productivity.

3.1.5. Information Services

A number of local and regional initiatives are currently being developed that will enhance the readiness of Bay of Plenty District Health Board to take up opportunities that flow from the Health Information Systems New Zealand (HIS-NZ) Action Zones. District Health Board representatives continue to actively participate in national, regional and local forums and workshops to explore key strategic opportunities and directions.

Strategic information initiatives and investments that Bay of Plenty is actively progressing include;

- Clinical Information Systems (CIS) Project – a programme of work to enhance the clinical information systems within the provider arm and form the basis for electronic medical records and greater primary / secondary information sharing;
- Primary Sector Interface – working with primary care representatives on enhancing the exchange of information to support enhanced patient care. Initiatives include ongoing work on event and discharge summaries, broadening the existing electronic referrals communication system into a referral management system, implementation of shared data repositories, and chronic care management systems;
- Network Connectivity – improving the flow of information and enabling new technology via the redevelopment of the data and voice network within the DHB as part of the redevelopment of Tauranga Hospital; and
- District Health Board Collaborative initiatives – Bay of Plenty is involved with a number of its colleague District Health Boards in strategic procurement processes, including;
 - Implementation of a Picture Archiving and Communication System (PACS), working with Waikato District Health Board;
 - Determining the long term clinical and patient administration system requirements, working with Lakes, Tairāwhiti, and Waikato District Health Board's; and
 - Implementation of a secure regional telecommunication network between District Health Board's, working with Midland and Central region District Health Board's.

3.1.6. Workforce Development

In accordance with Crown Entities Act, Section 151 (1) (g) the Board will be a good employer. The District Health Board has an Equal Employment Opportunities (EEO) policy and abides by the Human Rights, Health & Safety in Employment and Employment Relations legislation.

The District Health Board proactively seek to ensure there is a range of wellness initiatives designed to enable staff to be healthier, productive and feel safe in the workplace. The District Health Board has embraced the Healthy Eating and Healthy Activity (HEHA) programme, has implemented a staff

service recognition programme and have introduced the antibullying protocol 'Management of Violence and Threatening Behaviour in the Workplace.

The District Health Board is piloting a Health Living Programme for staff that includes a medical check up and then a management plan to address any identified health issues.

Current employment policies include:

<ul style="list-style-type: none"> • Equal Employment Opportunity 	<ul style="list-style-type: none"> • Credentialing of Senior Medical Staff
<ul style="list-style-type: none"> • Occupational Health & Safety 	<ul style="list-style-type: none"> • Orientation
<ul style="list-style-type: none"> • Discipline and Dismissal 	<ul style="list-style-type: none"> • Employee Presentation
<ul style="list-style-type: none"> • Protected Disclosure (Whistle Blowing) 	<ul style="list-style-type: none"> • Job Descriptions
<ul style="list-style-type: none"> • Learning Policy 	<ul style="list-style-type: none"> • Photo Identity
<ul style="list-style-type: none"> • Leave (Annual, Sick, Tangihanga / Bereavement, Leave without pay, Long Service) 	<ul style="list-style-type: none"> • Employee Records
<ul style="list-style-type: none"> • Volunteers and Work Experience 	

The DHB's remuneration policy forms part of an overall employment relations strategy for IEA employees (Individual Employment Agreement) that includes defining the role of employees, performance development and appropriate reward mechanisms.

Approximately 80% of employees are covered by Collective Employment Agreements.

Bay of Plenty District Health Board is subject to the Health & Safety in Employment Act, 1992. The Board has employees trained as Occupational Health & Safety representatives and maintains department representatives to help ensure safety in the workplace.

The Protected Disclosure Act, 2000 and the Board's related policy, protects the right of employees to raise matters of public concern in a safe and appropriate manner. Where an individual may feel personally disadvantaged there are established grievance procedures available including external mediation or the mechanisms covered by the Employment Relations Act, 2000. Employees also have 'no questions asked' access to the Employee Assistance Programme.

Employees receive training on cultural issues and the Treaty of Waitangi. In addition, training is included for managers and staff on the Human Rights Act, 1993; Health & Disability rights and employment policies.

Future Workforce

The people who work for Bay of Plenty District Health Board in the future are likely to be different in their needs, motivations and behaviours than the people in current employment (e.g. The needs, motivations, and behaviours of Baby Boomers, Generation X and Y can be distinct and different from each other). Bay of Plenty District Health Board intends to ensure its people management practices evolve to be ready for this. People are essential to ensuring the District Health Board maintains safe and quality health care service delivery for the people who access services and to ensure its commitment to excellence and a high level of performance and results continues.

Delivering on our stated outcomes requires excellent leadership, people, culture, relationships and processes to be in place. The success of this objective will be measured by a change in our profile to more closely reflect the wider community and an improvement in staff morale, confidence and relationships in the organisation as well as staff perception of fairness and equity.

Short-term EEO Plan

We continually review and amend aspects of the EEO framework. During 2008/2009 the EEO workplan has the following 8 streams of work, and listed is a sample of the actions that will be undertaken within each stream;

Leadership, Accountability and Culture

- HBI (Balanced Score Card), production and trend mapping;
- Climate Analysis Data (data analysis & reporting e.g. sick leave, turnover, EAP etc); and
- Implementation of Action Plans to address areas of concern that were identified from the Staff Engagement Survey undertaken in late 2007.

Recruitment, Selection and Induction

- Shared Recruitment Regionally (e.g. locum pool)'
- Careers in schools (mentoring, school visits, health brand promotion); and
- E recruitment (business case submitted).

Employee Development, Promotion and Exit

- Workforce Planning (e.g. planning framework developed & approved, framework implemented, workforce plan developed);
- Maori Health Workforce (e.g. planning framework developed & approved, framework implemented, workforce plan developed); Maori Health workforce project manager was appointed early 2008 to advance Maori health workforce development;
- Succession Planning (e.g. cascade succession plan); and
- Leadership development – extension of coaching training to 3rd tier managers.

Flexibility and Work Design

- Healthy Work Environment (e.g. audit tool adopted, action plan preparation based on local priorities);
- Flexible Working Hours (e.g. education around Act, roster redesign and advice etc); and
- Purchase of Fatigue Assessment capability for MICROster system (business case being developed)

Remuneration, Recognition and Conditions

- Staff Service Recognition Programme;
- Pay & Employment Equity (pursue action points from the Response Plan from the Pay & Employment Equity Review that was completed December 2007); and
- Introduce further occupational-based awards (e.g. clerical) to recognise high performers/contributors.

Harassment and Bullying Prevention

- Management of Violence Initiative (i.e. roll out training); and
- Review of policy / protocols.

Safe and Healthy Environment

- Health & Safety Plan (i.e. annual plan reviewed, approved, implemented);
- Disability Information (i.e. collection and analysis, action plans); and
- Pandemic Planning (i.e. Pandemic preparedness).

Other

- NGO Workforce Data Collection via HWIP (Health Workforce Information Programme); and
- Learning Facilities on site at Tauranga (i.e. facilities required for new site).

To assist in delivering on stated outcomes, Bay of Plenty District Health Board will continue to adhere to its obligations to be a 'good employer' and develop and implement employment opportunities for all.

3.2. DHB Planning and Funding of Services

The District Health Board is responsible for planning and funding the public health and disability services provided in Bay of Plenty in accordance with national health and disability strategies, national policies and the needs of the people in our region.

Planning and Funding division of the District Health Board is responsible for determining what health and disability services are needed in the Bay of Plenty and how best to use the funding the DHB receives. This involves analysing the regions health needs and, in consultation with our stakeholders and community, deciding on the mix, range and volume of services to be provided for the following services;

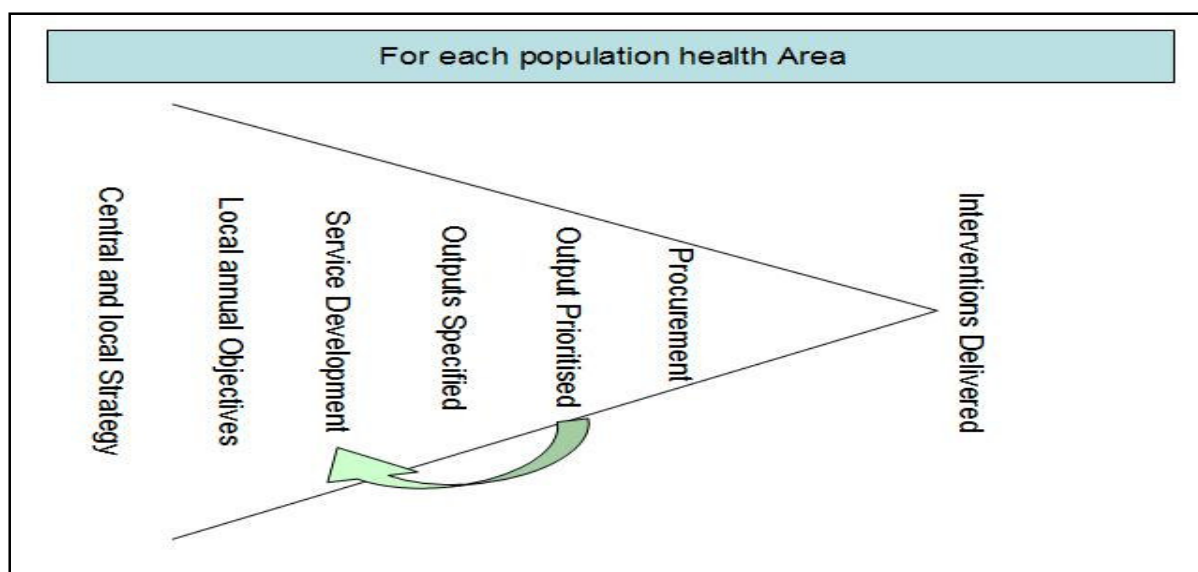
- Primary care;
- Hospital and specialist services;
- Mental health services;
- Support services for people with disability (including residential services).
- Maori health; and,
- Pacific health.

Planning and funding staff also ensure any advice it provides the Board matches with the national strategies and government policy.

In funding these services, Bay of Plenty District Health Board will maintain and improve the health of the people in the district within the funding it receives. Funding, planning, and contracting for Public Health and Under-65s' Disability Support Services is undertaken directly from the Ministry of Health to the organisations that provide those services.

For the purposes of s25 of the New Zealand Public Health and Disability Act, Bay of Plenty District Health Board is permitted by this annual plan to enter into service agreements, on terms and conditions it considers appropriate for the particular services or outcomes intended to be achieved by that individual service agreement. These service agreements to be in accordance with, and to advance, the strategic objectives and outcomes outlined in this annual plan or be to deliver the services Bay of Plenty District Health Board is required by statute or contract with the Crown or other parties to deliver.

Figure 2 illustrates the process for Planning and Funding to deliver population health area interventions from national/local strategies.



3.3 DHB Provision of Services

3.3.1. Primary Health Care

Implementing the Primary Health Care (PHC) Strategy is an ongoing and collaborative process across a range of service sectors and professional disciplines. It requires engagement with not only primary sector providers including Maori providers and Iwi, but also secondary services to ensure that there is an integrated approach to meeting the needs of our communities.

The PHC Strategy is based on the premise that our communities should have affordable, accessible and, timely services are delivered within the most appropriate setting.

In recognising the strategic link between Bay of Plenty District Health Board and its five Primary Health Organisations (PHOs), we also acknowledge the need to work closely with a range of other providers and cross-sectoral strategic partners including Iwi/Māori organisations and other central government agencies.

The three national goals from the Primary Health Care Strategy are;

- *Transparent national priorities*
District Health Board's, Primary Health Organisations (PHO) and the Ministry of Health focused on national health priorities and working collaboratively to improve sector performance;
- *Collective stewardship and governance*
Community and PHOs engaged to identify population needs and targeting responses consistent with national priorities; and
- *Enhanced delivery*
A continuum of accessible services focused on reducing the incidence and impact of chronic conditions.

Key focus areas for this District Health Board are;

- the effective implementation of the CarePlus service model across all five PHOs to ensure individuals with; multiple chronic conditions; a terminal illness; or a mental health diagnosis; are managed appropriately;
- the opportunity to access a higher level of engagement with their GP and practice staff through the development of a care plan that is specific to that person's needs;
- the opportunities to "value-add" community pharmacy services through the development and adoption of the national Pharmacy Services Framework;
- a strong focus on the delivery and enhancement of effective services within the primary sector including Kaupapa-led Māori PHOs;
- the review of Maori Health Plans (MHPs) for all 5 PHOs; and
- To refocus the DHB/PHO forum into a strategic planning group to work towards working collaboratively to improve health outcomes for the community.

3.3.2. DHB Provider Arm (i.e., Hospital and Specialist Services)

Bay of Plenty DHB's Provider Arm provides a range of community and secondary services to the people within the Bay of Plenty district. Inpatient and outpatient services are provided from a number of facilities, including Tauranga (353 beds) and Whakatāne (140 beds) Hospitals.

In addition to the two main hospitals the Provider Arm also operates community health centres or service centres at Ōpōtiki, Te Kaha, Te Puke and Murupara. Board governance happens through the Health Advisory Committee (BOPHAC). Operationally the provider arm is managed through a cluster leadership which consists of medical, nursing, and business leadership in the following eight clusters;

- Mental Health Services;
- Medical Cluster;
- Surgical Cluster;
- Women, Child, & family Cluster;
- Clinical Support Cluster;
- Maori Health Cluster;
- Non-Clinical Support Cluster; and
- Regional Community Services.

Other specialist services include;

- Cervical and breast screening programmes;
- Ōpōtiki Radiology services;
- Satellite Dialysis Unit, Tauranga;
- Eastern Bay of Plenty Palliative Care Services;
- Renal outreach clinics; and
- Whakatane Cancer Unit.

Our hospital(s) provide a range of inpatient and outpatient services to the people of our region.

Key contracted service outputs

The hospital has a contract with Planning and Funding of the District Health Board for the year. As part of this contract, the hospital agrees to provide certain 'outputs' these are listed in the table on the following page.

Contracted output/service	Measure/Unit	2006/07 Amount	2007/08 Amount Planned	2008/09 Amount Planned	Difference %
Medical Inpatient	Caseweights ²	10338	10492	10795	2.9%
Surgical Inpatient	Caseweights	14546	14820	15677	5.8%
Paediatric Inpatient	Caseweights	1730	1600	1600	
Neonatal Inpatient	Caseweights	785	700	770	10.0%
Maternity Inpatient	Caseweights			2232	
Surgical Inpatient (Ortho & Cataract Initiative)	Procedures			473	
Medical Outpatient	Attendances	31441	33213	35336	6.4%
	Procedures	5476	5364	6853	27.8%
Surgical Outpatient	Attendances	37803	38724	37787	-2.4%
	Procedures	3443	4171	4865	16.6%
Paediatric Outpatient	Attendances	6930	6850	7650	11.7%
Maternity Outpatient	Attendances		0	2196	
Mental Health	FTE ³	180.33	180.33	196.79	9.1%
	Bed days ⁴	14956	14956	14965	0.1%
	Clients			145	

² A caseweight is the way services are bought

³ FTE stands for Full Time Equivalent and is a way of measuring staff.

⁴ Bed days describe how many hospital beds are occupied by patients and for how long.

Contracted output/service	Measure/Unit	2006/07 Amount	2007/08 Amount Planned	2008/09 Amount Planned	Difference %
ED	Attendances:				
	Level 2	1830	1800	1800	0.0%
	Level 3	19033	19000	13400	-29.5%
	Level 4	33000	33000	21000	-36.4%
Maternity	Delivery	2615	2570	30	-98.8%
	Postnatal Stay	2320	2320	48	-97.9%
DSS	Outpatient Attendances	8441	8441	6068	-28.1%
	Bed days	10284	10284	8786	-14.6%
Personal/Community Health	Bed days	3579	3670	5270	43.6%
	Attendances	97329	98185	98355	0.2%
	Clients	9989	10295	15504	50.6%
	Hours	18823	18800	14885	-20.8%
	Eligible Clients	107199	75961	68768	-9.5%
	RVU	48417	48417	49095	1.4%
	Tests	71658	71456	71303	-0.2%

3.3.3. Elective Services (i.e., booked surgery)

The Bay of Plenty District Health Board is committed to meeting the government's expectations including the additional Elective Services funding announced on 19 May 2008. The District Health Board will provide the services that are contracted. BOPDHB will deliver on its commitments in, particularly in the following key policy areas of;

- Patient Flow Management;
- Level of Service (volumes, case weighted discharges, standardised intervention rates/standardised discharge ratios);
- Orthopaedic and Cataract initiatives. The District Health Board will review the key operations performed to ensure its delivering the right level of service for the people of the district; and
- Order of Service (Prioritisation).

The District Health Board is committed to ensuring that patients are assessed and prioritised for surgery on a consistent basis, and that they then receive surgery according to the priority they were given. Bay of Plenty District Health Board will comply with all Elective Services Patient Flow Indicators (ESPIs).

3.3.4. Mental Health Services

Te Kokiri outlines the major shift expected over the next 10 years for people with experience of mental illness and addiction, and their families and Whanau. It is intended that they have their needs addressed earlier through access to a broad range and choice of services that are responsive to their communities, and take into account all aspects of their health and wellbeing. Te Kokiri proposes this will be achieved through a more comprehensive and integrated mental health and addiction system that co-ordinates early access to effective primary health care, with an improved range and quality of specialist mental health and addiction services that are community based and built on collaborative partnerships. This will be built on a culture of recovery and wellness that: fosters leadership and participation by people affected by mental illness; is supported by a workforce that delivers effectively

at the interface between cultural and clinical practice; and is firmly grounded in a robust evidence base, quality information, innovation and flexible funding mechanisms that support recovery.

The specific activities Bay of Plenty District Health Board will undertake in 2008 / 2009 from Te Kokiri (refer to Bay of Plenty District Annual Plan 2008/2009 Template 5.7 'Mental Health') are;

- Review of current utilisation respite options/residential beds;
- Scope model for Community Living Services; and
- Complete the Bay of Plenty Suicide Prevention Action Plan.

Actions and milestones to improve Maori mental health and reduce inequalities, promoting choice by kaupapa Maori models of practice and increasing Maori participation in planning and delivery of services are also reflected in the above plans for implementation.

3.3.5 Health and Disability Support Services

Older People Services

Recurring themes that underpin the activities for healthy, independent and dignified ageing are; reduction of inequalities; reduction of the impact of chronic health conditions and enhancing population health activities in the primary care setting. The District Health Board is working towards initiatives that maximise the independence of the over 65 population. Bay of Plenty District Health Board has one of the fastest growing over 65 populations in New Zealand and this is placing pressure on health services. The District Health Board has invested in training the Home Based Support workforce as demand for these services grow. The Governments low paid workforce initiative has helped to stabilise this workforce.

The District Health Board is continuing to role out the InteRAI⁵ needs assessment tool. InterRAI should lead to consistent assessment and provide detailed information on the needs of our population. The District Health Board is also focusing on initiatives which help prevent hospital admissions through the expansion of a rapid response service. There will be continued service development in the area of Maori specific services as the life expectancy of Maori improve and the numbers continue to increase.

The District Health Board has formal collaborative action with: Ministry of Social Development (MSD), Aged Concern, Community Outcomes Bay of Plenty (COBOP), and SMART Growth to address issues that affect the older person and therein older persons with chronic conditions.

Bay of Plenty District Health Board is an active member of the Community Liaison Group that meets monthly, membership includes: 'Zipper Cardiac Club' (heart bypass patients), RSA Welfare, Tga Senior Citizens, Retirement Villages, Age Concern, Alzheimer's Society, Government Superannuates Society, Mātua Whāngai, District Maori Council, Parkinson's Society, Arthritis NZ, and various other interested community groups.

Bay of Plenty District Health Board 'Programme of Care for Health of Older Persons' has already implemented some significant advances for aged care in the district and continues development across this priority care area, the initiatives include;

- Develop the community based workforce based on the restorative model of care;
- Introduce 'Ageing in Place' with Primary Care – Community Primary Care Options (CPO) / Care Plus, particular focus on Eastern Bay of Plenty;
- Review the expanded Enliven Programme⁶ to support 'Ageing in Place';
- Implement the district wide rollout of the InteRAI tool;

⁵ InteRAI - International Disability Needs Assessment Tool (BOPDHB was one of three DHB's that trialled this tool before it was chosen for implementation across New Zealand).

⁶ Enliven – a community based assessment and targeted rehabilitation of older people with an identified risk of needing residential care following an acute health event unless they receive targeted support.

- Introduce new Koroua / Kuia services and initiatives to meet the needs of Kaumātua in a culturally appropriate manner;
- Progress redesign of 'Specialist Health Services for the Older Person' (SHSOP);
- Phased reconfiguration of Aged Residential Care (ARC) bed numbers to reflect disability need; and
- Enhance disability health care management and co-ordination for over 65 years.

Other Support Services

The services provided for people with disabilities will meet the New Zealand Disability Strategy (NZDS). Bay of Plenty District Health Board's vision is to have a fully inclusive community, where people with disabilities can live in a society that highly values them and continually enhances their full participation. District Health Board does not control the funding for Disability Support Services for the under 65 population. This is managed by the Ministry of Health.

Bay of Plenty District Health Board will continue to progress the objectives of the NZDS;

- All providers contracted by Bay of Plenty District Health Board are assessed on disability friendliness when contracts are renewed or new contracts are entered into;
- Bay of Plenty District Health Board is encouraging MoH DSS staff with responsibility for managing under 65 years DSS in Bay of Plenty to regularly attend Bay of Plenty District Health Board Disability Services Advisory Committee meetings to strengthen linkages with the community representatives on the committee; and
- BOPDHB will continue to work with the Ministry of Health and other Funders to improve the continuity of care for people in the region. This includes exploring the possibility of a single assessment process irrespective of the funding stream a person would come under.

There are three ways Bay of Plenty District Health Board ensures compliance with NZDS;

- As part of the building code, Project LEO has ensured there is full compliance with all aspects of NZDS;
- Bay of Plenty District Health Board maintains an existing Sign Language Policy that complies with addressing, maintaining and promoting physical and non-physical issues; and
- The New Zealand Sign Language Act (2006) recognises Sign as an official language with legal answers able to be given through an official interpreter – such official interpreters are available on request.

Bay of Plenty District Health Board partners with communities of interest for planning, delivery and evaluation of disability support services, these initiatives include;

- Technical Advisory Groups are in place to provide for community involvement in service planning;
- Employs formal needs assessment techniques to capture community perspectives and concerns; and
- Participates in a monthly Community Liaison Group, membership includes: Western Bay of Plenty Mental Health Trust, Disability Information Centre, Mātua Whāngai District Maori Council, Government Superannuates Society, Tauranga Diabetes Society, RSA Welfare, Tga Senior Citizens, Retirement Villages, Age Concern, Alzheimers Society, Asthma Society, Parkinson's Society, Arthritis NZ, ADNET (Advocacy Network Services Trust), and various other interested community groups.

3.3.6. Maori Health

Whakatātaka⁶ sets out to achieve change within District Health Board's. District Health Board activities are directed at improving Maori health rather than efforts being concentrated on ad hoc

⁶ He Korowai Oranga: Māori Health Strategy sets the direction for Māori health development in the health and disability sector for 2002-2012 years. Whakatātaka: Māori Health Action Plan 2006-2011 outlines what will be done to put the strategy in place. They are available on www.moh.govt.nz

programmes and initiatives. It seeks to build on the strengths and assets within whānau and Maori communities. There are four pathways for action;

Te Ara Whakahaere: Pathway Ahead – Implementing Whakatātaka

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

The pathways for action in Whakatātaka Tuarua 2006-2011 continue and are integral to BOPDHB. Four priority areas have been identified, these are;

- building quality data and monitoring Maori health;
- developing whanau ora based models;
- improving Maori participation at all levels of the health and disability sector particularly workforce development and governance; and
- and improving primary health care.

Some of the activities Bay of Plenty District Health Board have underway / planned for 2008/2009 that will implement the above strategies includes;

- Continue to review the extent to which ethnicity data is used to inform funding decisions;
- Continue to prioritise and progress initiatives as identified by the: Maori Nursing Forum, Maori Mental Health Provider Forum, and Maori DSS Providers;
- Collaboration across Funding and Planning to ensure Iwi Health Plans inform planning, funding, and process decisions;
- At Planning and Funding level continue the development of integrated programmes with a focus on Diabetes and Cardiovascular Disease for Maori, and at Provider Arm level continue integration between Te Puna Hauora Kaupapa Services for cardiac and renal inpatients and outpatients.;
- At Planning and Funding level pilot the kaupapa primary and secondary care service 'Whānaungatanga' model; and at Provider level collaborate with Te Puna Hauora, Ngā Mataapuna Ōranga, and PHOs' to review and align discharge planning protocols;
- Continue to increase the number of PHOs that are delivering the packaged service of: Maori Health Plans, Care Plans, and Performance Management;
- To determine the actual size and skills mix of the appropriately qualified and experienced individuals across the range of regulated and non-regulated workforces to provide culturally competent health care, and to develop and agree a workforce development plan to address the gaps;
- To enable equitable access for Maori to training opportunities. The workforce plan will align with DHBNZ 'Future Workforce Work Streams', however for Bay of Plenty District Health Board there is an identified lead for the Maori Health Workforce Strategy Group as a component of the Bay of Plenty District Health Board Workforce Development Programme. and
- Increase the ratio of qualified and experienced staff that identify as Maori in personal and mental health services in line with the ratios of Maori patients / clients.

3.3.7 Pacific Health

The Ministry of Health Pacific Health and Disability Action Plan (2002) sets out the strategic direction and actions for improving health outcomes for Pacific peoples and reducing inequalities between Pacific and non-Pacific peoples. The Plan is aimed at health and disability organisations and Pacific communities, and aims to provide and promote affordable, effective and responsive health and disability services for all New Zealanders.

Priority Areas;

- Pacific child and youth health;
- Promoting Pacific healthy lifestyles and well-being;
- Pacific primary health care and preventive services;
- Pacific provider development and workforce development;
- Promote participation of disabled Pacific peoples; and
- Pacific health and disability information and research.

Pacific peoples population numbers in the Bay of Plenty increased by 1.9% in the 2006 Census, taking the population numbers to 3714. The District Health Board has developed a relationship with the Pacific Islands Community (Tauranga) Trust to gain better insight into Pacific health needs in the Bay of Plenty. The development of plans and initiatives will be advanced by the District Health Board as the need is identified.

3.3.8 Subsidiaries

Bay of Plenty District Health Board has no subsidiaries.

4.0 DHB & INTERSECTORAL COLLABORATION

Bay of Plenty District Health Board acknowledges that health service delivery alone contributes to roughly less than 50% to population health status, and after accounting for genetic and other fixed factors, a large proportion of population health status is derived from factors external to the health environment such as income, housing, education, employment, and other social, environmental, economic and cultural determinants. It is clear therefore that health needs to develop positive strategic relationships with those sectors that influence outcomes. In fact for 2008/2009 Collaboration is one of the three major areas of focus for Bay of Plenty District Health Board (refer Section 2.3).

The Bay of Plenty District Health Board District Strategic Plan 2005-2015, which states that as well as leading and stewarding the health system for the planning, funding and provision of health services, the DHB should improve health and disability status through;

- Influencing – influencing government policy (central and local) and applying that policy towards health and well-being outcomes; and
- Collaborating – partnering between sectors, networking and collaborating through formal memoranda of understanding, including informal agreements.

The expected outcomes from strategic collaboration include a whole of client approach, coordination of services at the point of delivery, increased social capital, and broader community input to the planning and delivery of services.

Bay of Plenty District Health Board has a longstanding ethos of collaboration and co-operation with national, regional, and local initiatives. Indeed the District Health Board has been instrumental in leading innovations, for example the District Health Board was a key party for introducing Interlay into New Zealand.

Collaboration occurs at a national, regional and local level, with;

- Local government authorities
- Local businesses
- Health care and disability support providers
- Non-government organisations
- Government agencies
- Local residents
- Whānau/families
- Voluntary agencies.

The Bay of Plenty District Health Board will continue to develop the strategic and collaborative relationships it currently has as well as identifying new relationships. These include relationships and partnerships with the Rūnanga (the Board's Treaty partner), joint ventures between private providers and Bay of Plenty District Health Board Provider Arm, midland regional service planning, national working parties and forums and ongoing developments with Primary Health Organisation's consistent with the objectives of the Primary Health Care Strategy.

The Bay of Plenty District Health Board is well advanced with planning for a Bay of Plenty Clinical School within the Bay of Plenty. The school is working closely with other tertiary education providers to establish formal agreements for the on-going development and delivery of clinical training programmes that will best meet future workforce need in the Bay of Plenty region

Other examples of the District Health Board's ways of intersectoral working can be found throughout this Statement of Intent and particularly in Sections 3.3.1: Primary Health Care, and 3.3.5: Health and Disability Support Services. Section 3 of the Bay of Plenty District Health Board District Annual Plan 2008/2009 is dedicated to Collaboration, being one of the major focus areas identified for 2008/2009.

5.0 ADVANCING OUR STRATEGIC PRIORITIES

This section outlines what Bay of Plenty District Health Board seeks to achieve over the next three years. The national outcomes or objectives listed are based on government policy and describe how the District Health Board will contribute to the government's policy direction for the whole of New Zealand. The details of what Bay of Plenty will do, were developed through Bay of Plenty District Health Board Health Needs Assessment (HNA) (available from the Chief Executive Office), Bay of Plenty District Health Board District Strategic Plan 2005 – 2015 http://webfront/PDFs/54440BOPDHBDS_P_WEB.pdf, and Bay of Plenty District Health Board District Annual Plan 2008/2009 [.http://webfront/PDFs/BOPDHBDDistrictAnnualPlan0809.pdf](http://webfront/PDFs/BOPDHBDDistrictAnnualPlan0809.pdf) .

5.1. National Strategic Objectives for DHBs from the NZPHD Act 2000

The national outcomes to which Bay of Plenty District Health Board will contribute are;

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

5.2. National Priorities for 2008/2009 (Government Policy)

In addition to long term national objectives DHB's are provided with a yearly Planning Package which includes the expectations of the Minister of Health. The Minister's 'Letter of Expectations' for 2008/2009 identifies specific priorities which DHBs are expected to contribute to include;

Continued progress, with emphasis on quality, safety and reducing inequalities, on the following;

- Elective surgery;
- Breast screening;
- Community mental health services;
- Maori health service provision;
- Pacific health service provision;
- The 'get checked' programme for Diabetes.
- Pandemic preparedness;
- Working within budget;
- Ensuring Board members have the requisite governance skills;
- The New Zealand Health Strategy, (2000);
- The New Zealand Disability Strategy, (2001);
- He Korowai Oranga (Maori Health Strategy, 2002);
- Te Tāhuhu: Improving Mental Health, 2005-2015 (2005);
- The Health of Older People Strategy, (2002). The Primary Health Care Strategy, (2001); and
- The Pacific Health and Disability Action Plan, (2002).

Note: the Strategies listed above are available on the Ministry of Health website www.moh.govt.nz

Progress on addressing specific 2008/2009 Priorities;

- Value for Money;
- Chronic Disease;
- Reducing Disparities;
- Child and youth services;
- Primary Health;
- Health of older people; and
- Infrastructure.

5.3 Bay of Plenty District Health Board Core Directions and Strategic Priorities

As highlighted throughout this document, the Bay of Plenty District Health Board will continue its efforts to deliver the best results possible in all areas of service delivery. However we, like all DHB's, have limited funding and will therefore be working hard to prioritise and reallocate that funding to provide the Bay of Plenty community with ongoing, effective and quality services within our funding constraints.

When reviewing our District Strategic Plan in 2005, we engaged and consulted with our community and health stakeholders identifying six strategic health outcomes areas where specific effort will be focused over the coming years. The Bay of Plenty District Health Board has a 'vision of healthy, thriving communities'. The District Strategic Plan (DSP, 2005 - 2015) outlines steps the Board will take towards achieving that vision, through delivering on the following health and health care outcomes;

- Healthy, children, youth and families;
- Healthy, independent and dignified ageing;
- Healthy Maori;
- Health and independence for people with disabilities;
- Improved health and independence for people with chronic conditions; and,

- Health Equity (with an emphasis on Mental Health and Primary Care).

We have identified a number of Core Directions by which we will improve our function and performance. These will provide the DHB with the foundations needed to target activity in priority areas, to make improvements in the delivery of ongoing services, to implement national strategies and to meet Minister of Health expectations;

- Leading and Stewarding;
- Influencing;
- Collaborating;
- Planning and Funding;
- Providing; and
- Developing our health care workforce.

The Bay of Plenty District Health Board approach in all its priority areas will be consistently focusing on strengthening regional relationships and national influences, engaging with stakeholders and promoting messages relating to lifestyle choices, working to ensure effective resource utilisation, improved access, culturally appropriate service delivery, an integrated approach to patient care and the development of an integrated continuum of care.

6.0 FORECAST SERVICE PERFORMANCE: MEASURES AND STANDARDS

One of the functions of the SOI, and in particular, the forecast performance measures and targets in this section (the Statement of Forecast Service Performance, as stated in CE Act (s142), is to show how we measure what we do. These measures, targets and standards will be subject to an annual audit by auditors appointed by the Office of the Auditor General.

These measures are not a comprehensive list but reflect activity in the priority areas identified in the Bay of Plenty District Health Board's District Strategic Plan and by the Minister of Health. This activity requires the District Health Board to find better ways of working, to develop collaborative models of service delivery, develop its healthcare workforce and to provide leadership in the sector. The performance measures also include national measures, which are consistent across all twenty-one District Health Board's

The Ministry has identified a particular set of national 'core health targets' in order to focus District Health Board's efforts and make more progress on key priority areas. These core health targets have been included in our selected set of measures and have been clearly identified in our District Annual Plan 2008/2009.

Where possible we have included past performance along with each target to give context and future targets to demonstrate how the District Health Board intends to continue to improve outcomes over the next three years. The targets provided here are based on the assumption that, notwithstanding funding and financial pressures, the District Health Board will be able to maintain current levels of service provision.

Specific detail around the District Health Board intended actions and activity related to each strategic priority can be found in the District Health Board's District Annual Plan 2008/2009.

HEALTHY CHILDREN YOUTH AND FAMILIES

Long -Term Objectives
 To improve the coordination and cohesion of child and youth services in the Bay of Plenty;
 To develop social and community environments that support child, youth and family health and independence; and
 To positively influence the broad social, economic and environmental determinants of child, youth and family health.

Core strategies that have informed the development of priority areas are the Child and Youth Programme of Care (PoC) and Bay of Plenty District Health Board/ Child and Youth Technical Advisory Group Implementation Plan.

Themes that underpin the identified priority areas for healthy children, youth and families include:

- Reducing inequalities
- Reducing the impact of chronic health conditions
- Enhancing population health activities across the sectors

Key Initiatives to Address Strategy

- Progress implementation of the Child Youth and Family Programme of Care (PoC)⁷, including Family Violence, Adolescent Risk Taking Behaviour, Healthy Starts, Childhood Nutrition and Obesity, Respiratory.
- Increase childhood immunisation coverage rates through collaborative and contractual arrangements with Primary Care.
- Implement Bay of Plenty District Health Board Oral Health PoC to improve Oral Health status for children and adolescents (inclusive of improving adolescent oral health).
- To reduce the incidence and impact of family violence by implementing the national family violence guidelines.
- Sexual Health Regional Plan.

Key Performance Measures	Actual 06/07	Target 08/09	Target 09/10	Target 10/11
Improve vaccination rates The number of Bay of Plenty children on the National Immunisation Register up to date with immunisations on the day they turn 24 months.	N/A ⁸	75%	87%	91%

⁷ Refer Appendix 3 for Programmes of Care

⁸ The National Immunisation Register was not two years old as at 30/06/2007, therefore the data is incomplete.

Improve Oral Health					
The total number of completions and non completions under the Combined Dental Agreement for adolescent patient plus additional adolescent examinations with other District Health Board funded dental services e.g, School Dental Surgery (SDS) Maori Health providers and other contracted Providers		59%	68%	74%	80%
- No of children caries free at age 5		46.3%	46.3%	46.3%	46.3%
- Mean MF Score at Form 2 (Year 8)		2.21	2.21	2.21	2.21
Improve Breastfeeding Rates					
- % of children exclusively breastfed at 6 weeks		74%	74%	No national targets set	No national targets set
- % of children exclusively breastfed at 3 months		57%	57%		
- % of children exclusively breastfed at 6 months		27%	27%		
Family Violence Prevention					
Child Abuse Responsiveness Audit		N/A	70%	70%	70%
Partner Abuse Responsiveness Audit					
Ambulatory Sensitive Admissions for those aged 0 – 4					
	Maori	N/A	103	100	95
	Other	N/A	124	110	100
Improving health status of people with severe mental illness. 0 – 19 Years		2.0%	2.0%	2.0%	2.0%
SOI Performance Measures					
POP-08	Improving Child Immunisation Coverage				
POP-04	Mean MF Score at Form 2 (Year 8)				
POP-05	% of Children Caries Free at Age				
POP-11	Family Violence Prevention				
QUA-03	Improving Quality of Data in National Health Collections				
POP-06	Improving health status of people with severe mental illness. 0 – 19 Years				
Key Outputs from the 2008/2009 District Annual Plan				Output Class	
1. National family violence guidelines and protocols prioritised and first stage implemented.				Funder	
2. BOPDHB and Child and Youth Technical Advisory Group priority areas implemented				Funder	
<ul style="list-style-type: none"> • Healthy Starts – Positive pregnancy and Positive Parenting • Injury Prevention • B4 Schools Check 				Funder	
3. Implement Phase 1 of the Oral Health Business Case				Funder	
4. Implement the Immunisation Strategic Plan.				Funder	
5. Implement Breastfeeding social marketing campaign				Funder/Provider	
6. Introductory work Baby Friendly Workplaces – cross reference Workplace Wellness				Funder/Provider	
7. To develop a multi service child and youth health centre to serve families/whanau in the Eastern Bay of Plenty				Funder	

HEALTHY MĀORI

Long –Term Objective

The Bay of Plenty District Health Board Maori Health Strategic Plan -**Te Ekenga Hou** outlines the approach the District Health Board will utilise to improve Maori Health. The Bay of Plenty District Health Board recognises the need to improve Maori Health through reducing the disparities that exist between Maori and non Maori. Themes that underpin the Healthy Maori priority area are;

- Rangatiratanga-Maori will maximise their health. (**He Pou Oranga Tangata Whenua** framework is the guiding framework);
- He ranga hua hauora-To ensure providers and communities have the capacity to meet their own health and independence needs. (**Iwi Health Plans** are the guiding documents); and
- Tuituinga pou hauora-To ensure responsiveness of mainstream services (**He Ritenga** is the guiding document).

Mai i nga Kuir a Whaarei ki Tihirau are the two recognised Maori Health services within the Bay of Plenty District Health Board Provider Arm and are responsible for all Maori Health secondary service issues and developments across both hospital regions. Maori theme 1: Rangatiratanga -

We are also conscious of higher percentage of child and youth in our Maori population and the District Health Board's focus on breastfeeding, immunisation, well child checks, nutrition, healthy lifestyles and smoking cessation are all expected to have a positive affect on reducing inequalities and improving Maori health outcomes.

Key Objectives & Initiatives to Address Strategy

- Tāngata Whenua Realities program audit completed and services delivered and evaluated against the findings;
- Workforce development plan completed and implementation staged to increase Maori workforce numbers and competency;
- Closer relationships and seamless transition between primary and secondary services through a closer working relationship between Te Puna Hauora and Ngā Mataapuna Ōranga PHO and Western Bay PHO;
- Development and implementation of Iwi Health Plans from an Iwi world view; and
- Building capacity and capability through He Pou Oranga framework as a key initiative to influence future planning and funding decisions primarily for Kaupapa Maori providers.

Key Performance Measures	Actual 06/07	Target 08/09	Target 09/10	Target 10/11
Increase Maori participation in service provision and the health workforce				
- % of Board members receiving Treaty of Waitangi training.	100%	100%	100%	100%
- % of PHOs with agreed Maori Health Plans				
He Ritenga audit of mainstream responsiveness to Maori				
- % of District Health Board Services audited	N/A	30%	60%	Target to be set
Governance Training in Iwi Relationships	New measure	100%	100%	100%

SOI Performance Measures	
HKO-01	Engagement of Local Iwi/Maori in Development of Strategies and Plans for Maori Health Gain <ul style="list-style-type: none"> - Increase the % of Board members receiving Treaty Training - Increase the % of PHO's with agreed Maori Health Plans
HKO-02	Monitor the % of staff identifying as Maori and working in Maori roles
HKO-04	Targeted Funding to Improve Maori Health & Disability Services
QUA-03	Improving Quality of Data in National Health Collections Improved Inpatient Ethnicity Reporting
Key Outputs from the 2008/2009 District Annual Plan	
1. Pilot He Pou Oranga Tangata Whenua framework in service delivery with a Maori NGO.	Funder
2. Analysis of hospital admissions, ethnicity and discharge data.	Funder
3. Iwi Health Plans are implemented and inform Bay of Plenty District Health Board planning and funding processes.	Funder
4. Implement Maori Professional Nurse Leader role.	Funder
5. Test He Ritenga audit tool and evaluation of Year 1 He Ritenga audits.	Governance

CHRONIC CONDITIONS
<p>Long -Term Objectives; To effect the development of chronic conditions through influencing causal social determinants of health; To address the modifiable risk factors that contributes to the development of chronic conditions; and To provide access to effective, efficient, coordinated and integrated public, personal, disability support services and mental health care service.</p> <p>Chronic conditions include diabetes, cardiovascular disease, cancer, depression, renal, and respiratory conditions. With a growing and aging population, the incidence of these conditions is expected to increase, as is the complexity of the condition, including co-morbidities. The District Health Board must meet this growing challenge within the context of finite resources and a shrinking workforce. Strategically, a policy of early detection, prevention and population based health promotion to augment existing strategies that focus on more advanced stages of illness are being targeted. In order to implement this strategy, co-ordination and collaboration between the primary and secondary services is an essential component.</p> <p>The Healthy Eating Healthy Action (HEHA) strategy addresses health inequalities through a greater emphasis on approaches to enable better health outcomes for Māori, Pacific Peoples and lower socio economic population groups. Strategies to achieve this include: increasing fruit and vegetable intake, improving breastfeeding uptake and duration, improved workplace wellness, undertaking evaluation of initiatives, increased capacity and capability and effective communication all of which will contribute to reducing the impact of chronic health conditions, and enhance population health. Good nutrition, physical activity and maintaining a healthy body weight are fundamental to the prevention of disease and disability at all ages. The foundations for a healthy life are laid down in infancy and childhood.</p>

Key Initiatives to Address Strategy;

- Implement Bay of Plenty District Health Board Modifiable Chronic Conditions (MCC) PoC and the Midlands Regional Plans with a focus on the following chronic conditions Cardiac Care, Diabetes, Cancer, & Renal Secondary Care Chronic Conditions continuity of care co-ordination service scoped and resourced;
- Patient self-management programmes developed and implemented;
- Implementation of 'Care Plus' to all PHO's;
- Implement the District HEHA Plan and administer the Nutrition Fund for schools to reduce chronic conditions through primary prevention;
- Implement the national Tobacco Control Plan within Bay of Plenty;
- Kaupapa Maori initiatives in place to achieve an increase in physical activity, improve nutrition and reduce obesity including a Maori PHO project "REPLACE" which is in the implementation phase with formative and process evaluation being undertaken;
- As part of the implementation of the cancer control action plan the DHB has created a technical advisory group to advise on innovative models of care. Access to services through more local provision of care is also being targeted with the appointment of an oncologist, funding in place for a haematologist, and the construction of two cancer centres in the Eastern and Western Bay of Plenty.

Key Performance Measures	Actual 06/07	Target 08/09	Target 09/10	Target 10/11
<p>Reduce the trend in obesity rates</p> <p>- Increase the proportion of fruit and vegetables consumed per day by adults (15 years+) in the Bay of Plenty region - as a means to reducing the coincidence of obesity and improving overall health and well-being</p>	N/A	75%	75%	75%
<p>Reduce the harm caused by tobacco</p> <p>- Increase the prevalence of "never smokers" among Year 10 students by at least 2% (absolute increase) over 2008/09.</p> <p>- Increase the proportion of homes which contain one or more smokers and one or more children that have a smokefree policy to over 78% in 2008/09.</p>	46%	48%	48%	48%
		78%	78%	78%

Improving diabetes services and cardiovascular disease.					
- Improve the % of expected diabetics who received their Annual Review					
	Maori		51%	55%	55%
	Other		69%	72%	72%
	Total	56%	64%	65%	65%
- Improve the % of diabetes having Annual Review who have good diabetes control (HBA1c<=%)					
	Maori		70%	66%	66%
	Other		80%	81%	81%
	Total	76%	78%	79%	79%
- Increase the % attending a cardiac rehabilitation outpatient programme (as a % of total who have suffered an event)		No data available	24%	24%	24%
Improve access to Radiation Treatment					
- Patients waiting no more than six weeks for Radiation Therapy treatment		78%	95%	100%	100%
SOI Performance Measures					
HT ⁹	Increase fruit and vegetable consumption				
HT	Increase the prevalence of 'never smokers' among Year 10 students				
POP-01	Increase the % of expected diabetics who receive their Annual Review				
POP-01	Increase the % of diabetics who have good diabetes control				
POP-2	Cardiovascular Disease – Cardiac Rehab Programme				
POP-03	Stroke Management – Organised Stroke Services				
POP-10	Oncology Radiation Waiting Times				

⁹ Ministers Health Target

Key Outputs from the 2008/2009 District Annual Plan	Output Class
1. Implement the funded recommendations from the Diabetes Survey Self Evaluation audit.	Funder
2. Meet or improve upon Cancer waiting times by working with tertiary providers.	Provider
3. Fund local haematology/oncology services into Phase II –employing additional oncologist/haematologist.	Funder
4. Complete Cancer Centre in Western BOP.	Funder
5. Develop and fund service model for COPD program.	Funder
6. Smoking cessation programmes delivered to patients and supported by NRT in line with national smoking cessation guidelines.	Provider
7. National Tobacco Control Plan actions time-framed for 2008/09 are delivered.	Funder
8. Actions under the Toi Te Ora-Public Health Service Plan, and smoking cessation providers Agreements are delivered to Ministry of Health’s satisfaction.	Provider

IMPROVED EFFICIENCY, EFFECTIVENESS, QUALITY, SERVICE DELIVERY

Long -Term Objectives

A key strategic objective within the Bay of Plenty District Health Board's Strategic Plan is: *To ensure clinical leadership, continuous quality improvement, breakthrough learning and innovations that positively influence the health and independence of the population.*

Provision of efficient, effective and quality health services in a timely manner, within available resources, for those with the greatest need.

Bay of Plenty District Health Board prides ourselves on delivering high quality public health, primary and secondary care services to our consumers. Healthcare has become increasingly complex when managing developments in pharmaceuticals, the impact of disease, changes in technology, increasing consumer expectations, the aging population and the workforce ageing as well. These factors will all influence the future shape of services, which will require to be underpinned by stable and high quality service delivery.

The District Health Board arm will jointly work with the National Programme on Quality Improvement – a coordinated national approach to quality improvement. In the first instance, this will address quality and safety within public hospitals and the National Programme on Value for Money - a coordinated approach to improve capacity and capability levels.

Elective Services are provided to patients whose condition does not require immediate action and whose treatment can be planned. Improving access to elective services, offering certainty for patients about their treatment in a timely manner and ensuring fairness of treatment prioritisation is important to this District Health Board.

Key Initiatives to Address Objectives

- Quality Initiatives:
 - Optimising the patient Journey - A Change Management team has been developed with a focus on mapping, reviewing, and improving the patient journey.
 - Infection Prevention and Control - Implementation of a Theatre instrument tracking process.
 - Safe Medication Management - Implementation of an oncology database.
 - Education, Training and Quality improvement - Appointment of a Director of Clinical Training (or equivalent). Development of Grand Round processes shared with the non-DHB primary sector.
- DHB wide conversion to Baldrige Quality Framework
- Internal Quality and Risk Council established
- Compliance with the Elective Service Performance Indicators (ESPI's)
- Work with the National Value for Money Programme and the National Quality Improvement Programme to strive for excellence in efficiency and effectiveness.

Key Performance Measures	Actual 06/07	Target 08/09	Target 09/10	Target 10/11
Inpatient Overall Satisfaction – Quality Services Provision	To be above the national average	To be above the national average	To be above the national average	To be above the national average
Maintain Performance as a Good Employer - Sick Leave Rates - Workplace Injuries (per million hours) - Staff Retention/Turnover	3.40% 13.80% 12.75%	<3.2% <11.50% <12.75%	<3.2% <11.50% <12.75%	<3.2% <11.50% <12.75%
Reducing Average Length of Stay for WEIS purchased services (measured in days)	3.8	<3.5	<3.5	<3.5
Emergency Department Triage Times (% of patients triaged and attended to within the national triage waiting time)				
Level 1	100.00	100.00	100.00	100.00
Level 2	69.50	85.00	85.00	85.00
Level 3	51.24	80.00	80.00	80.00
Improve delivery of Elective Services - Compliance with ESPI 2 – Patients waiting longer than six months for their FSA ¹⁰ . - Compliance with ESPI 5 – Patients given a commitment but not treated within six months. - Monthly compliance with all eight of the Ministry’s Elective Service Performance Indicators.	2.0% 4% 100%	<1.5% <4% 100%	<1.5% <4% 100%	<1.5% <4% 100%
Improve delivery of Mental Health Services - The % within each age group, accessing mental health treatment and support services				
Maori – 0 – 19		2%	2%	2%
20 - 64		3%	3%	3%
Other – 0 – 19		2%	2%	2%
20– 64		3%	3%	3%

¹⁰ FSA is the first appointment a patient has with a specialist following referral.

SOI Performance	
HBI ¹¹	Increase the % of Overall Inpatient Satisfaction
HBI	Maintain Low Sick Leave Rates
HBI	Maintain Low Staff Retention/Turnover Rates
HBI	Decrease the Number of Work Place Injuries
HBI	Reducing Average Length of Stay
SER-04	Continuous Quality Improvement – Standardised Discharge Rate (SDR) for Elective Procedures
HT	Compliance with Elective Services Performance Indicators and discharge volumes
PO-06	Increase the %s accessing mental health treatment and support services
QUA-01	The DHB provider arm demonstrates an organisational wide commitment to quality improvement
Key Outputs from the 2008/2009 District Annual Plan	
Output Class	
1. ESPI compliant at DHB level	Provider
2. Deliver 593 hip and knee joint replacements procedures under the Orthopaedic Initiative	Provider
3. Deliver 713 cataract procedures under the Cataract Initiative.	Provider
3. Deliver 8756 elective discharge volumes.	Provider
4. Audit clinical files for all service users who have been in Mental Health & Alcohol Service for two years or more to identify evidence and quality of relapse prevention plans.	Provider
5. Implement the first stage of the QIC national improvement programme.	Governance/Provider
6. To prepare an implementation plan from the recommendations of the interim Baldrige quality review report	Governance
7. Continued implementation of the staff Healthy Living Programme to improve staff health status	Provider

¹¹ Hospital Benchmarking Index

PRIMARY HEALTH CARE				
Long – Term Objective				
<p>Implementing the Primary Health Care Strategy is an ongoing and collaborative process across a range of service sectors and professional disciplines. It requires engagement with not only primary sector providers including Maori providers and Iwi, but also secondary services to ensure that there is an integrated approach to meeting the needs of our communities.</p> <p>The PHC Strategy is based on the premise that our communities should have affordable, accessible and, timely services are delivered within the most appropriate setting. In recognising the strategic link between BOPDHB and its five Primary Health Organisations (PHOs), we also acknowledge the need to work closely with a range of other providers and cross-sectoral strategic partners including Iwi/Maori organisations and other central government agencies.</p> <p>Ambulatory Sensitive Hospital Admissions (ASH) reflects the number of individuals admitted to hospital when the services and/or treatment they required could have been effectively provided through primary care services within a community setting. The focus over the coming year will be to try and reduce the number of inappropriate admissions through identification of the drivers behind current activity levels and develop measures to better meet the needs of these service users in particular the high number of admissions attributed to Maori patients.</p>				
Key Objectives & Initiatives to Address Strategy				
<ul style="list-style-type: none"> • Use of regular forums to improve collaboration between PHOs, Secondary Care and intersectoral partners. • Supporting the interface between PHO Clinical Governance and broader DHB governance. • Supporting the national PHO Performance Management framework. • Developing infrastructure through local and national shared management arrangements to ensure financial viability of PHOs. • Supporting Care Plus and implementation of Maori Health Plans in BOP PHOs. • Supporting primary care workforce development initiatives in PHOs. • Continuing work on the BOPDHB Strategic After Hours Plan, to ensure appropriate access to services on a 24/7 basis across BOP. 				
Key Performance Measures	Actual 06/07	Target 08/09	Target 09/10	Target 10/11
Care Plus is rolled out to all 5 PHO's	3	5	5	5
Reduce Ambulatory Sensitive Admission Rates				
Maori 45 – 64 years Others 45 – 64 years Maori 0 – 74 years Other 0 – 74 years	N/A	Below national average of 1	Below national average of 1	Below national average of 1

Performance Management Programme - All PHO's have entered Performance Management		100%	100%	100%
SOI Performance				
SER-07 Improving Low or Reduced Cost access to Primary Care services QUA-03 National Collection Data Quality SER-01 Accessible and Appropriate Services in PHO's SER-02 Care Plus Enrolled Population SER-03 The Proportion of Lab and Pharmaceutical Transactions with a NHI				
Key Outputs from the 2008/2009 District Annual Plan				Output Class
1. Appointment of a Primary Advisor with Planning and Funding to facilitate service development. 2. Maori Health Plans for all 5 PHO's reviewed and recommendations identified. 3. Project to scope the viability of shared management services for Maori led PHO's conducted. 4. Pilot Whaungatanga model of care with Provider Arm, Te Puna Hauora, Nga Mataapuna Oranga PHO. 5. Initiative to improve performance against the ASH target I, chronic disease management, improved diagnosis, Child and Youth Technical Advisory Group (0 – 4 age group).				Funder Funder/Provider Funder Funder Funder

7. PROSPECTIVE FINANCIAL PERFORMANCE

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE

The Bay of Plenty DHB will continue to manage resources within the amount of funding provided. Bay of Plenty DHB is committed to achieving breakeven results, excluding the cyclical impact of the Mental Health Ring-fence, during the next three years.

To achieve this, the Bay of Plenty DHB will maintain cost growth to a similar level as the long term increase in revenue.

This Statement of Intent projects breakeven results, excluding the cyclical impact of the Mental Health Ring-fence, over the next three financial years ending 30 June 2009, 2010 and 2011.

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE FOR THE THREE YEARS ENDED 30 JUNE 2009, 2010 AND 2011

\$m	<i>Estimate</i>				
	<i>Actual 2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Government Revenue	454.3	498.1	537.9	564.9	592.8
Other Revenue	6.0	6.2	6.1	6.9	6.9
Total Revenue	460.3	504.3	544.0	571.8	599.7
Employee Costs	147.8	155.9	171.1	179.6	188.6
Outsourced Costs	27.0	26.5	22.4	23.5	24.7
Clinical Supplies	34.0	37.2	39.6	41.6	43.7
Infrastructure	39.2	44.3	49.7	52.7	55.0
Payments to Providers					
Personal Health	139.5	164.3	175.6	184.4	193.3
Mental Health	19.3	18.4	21.4	20.5	21.5
Disability Support Services	46.1	54.7	59.6	62.6	65.7
Public Health	0.2	1.0	1.8	1.9	2.0
Maori Health	2.9	4.1	4.7	5.0	5.2
Total Expenditure	456.0	506.4	545.9	571.8	599.7
Net Result	4.3	(2.1)	(1.9)	0.0	0.0
Adjustment for Mental Health Ring-fence					
Mental Health Surplus / (Deficit)	3.3	(2.1)	(1.9)	0.0	0.0
Underlying Result	1.0	0.0	0.0	0.0	0.0

Mental Health Ring-fence

Bay of Plenty DHB is currently estimating that it will have approximately \$1.9m not yet allocated within the Mental Health Ring-fence at 30 June 2008.

The unallocated Mental Health Ring-fence revenue will be utilised for the purchase of mental health services during the next three years in accordance with plans agreed with the Ministry of Health Mental Health Directorate.

It is important to note that the \$1.9m is an estimate and there is likely to be a small variance between this projection and the final amount. The actual amount expended

in the three plan years will be equal to the final amount confirmed as unallocated at 30 June 2008 in the audited financial statements

Financial Performance by Output Class

The Bay of Plenty DHB operates three output classes.

Funds

The Bay of Plenty District Health Board receives, within the 'Funds' output class, a Crown appropriation for the purchase of health and disability services. This funding revenue is used to purchase services from Non-Government Organisation (NGO) sector and the DHB provider arm.

The Bay of Plenty DHB is continuing to implement the Programmes of Care (See Appendix 3 of the Statement of Intent and Page 12 of the District Annual Plan 2008/2009) as funding is available. Funding pressures are discussed below, and the Bay of Plenty DHB maintains estimates of available funding to ensure it does not over spend throughout the year or in future years.

Governance and Funder Administration

Governance and Funder Administration is the output class that includes the board and governance costs of the District Health Board along with the costs of administrating the 'Funds' output class by the Funding & Planning division.

Provider Arm

This output class includes the health and disability services directly provided by the district health board in the two hospitals and community services along with the necessary support functions.

PROSPECTIVE FINANCIAL PERFORMANCE BY OUTPUT CLASSES FOR THE THREE YEARS ENDED 30 JUNE 2009, 2010 AND 2011

\$m	Estimate				
	Actual 2007	2008	2009	2010	2011
Provider Arm	(2.7)	0.6	2.5	2.4	2.5
Governance & Funder Admin	0.8	(2.4)	(2.5)	(2.4)	(2.5)
Funds	6.2	(0.3)	(1.9)	0.0	0.0
	4.3	(2.1)	(1.9)	0.0	0.0

Financial Assumptions

All DHBs have jointly recommended a number of key principles to their Boards for use in preparing the Prospective Financial Performance. Bay of Plenty DHB has applied these to the projections included in the Prospective Financial Performance shown below.

The key principles include:

- Revenue is increased by the base Future Funding Track (FFT) of 2.798% available for all DHBs.
- The demographic change and growth of the population of the Bay of Plenty is significant and is reflected in changes to the Population Based Funding allocation for the Bay of Plenty DHB. This funding is used for new service and volume initiatives included in the planned financial performance.
- Cost increases for services provided by Non Government Organisation (NGO) Sector, including Aged Residential Care, General Practice, Pharmacies, Maori Providers etc, will be funded up to FFT.

- Additionally new services are being planned for purchase from the NGO sector.
- Increases in Wages and Salaries will be limited to FFT including all automatic increments plus a share of demonstrable productivity gains. Any additional pay increase through “pay jolts” will be funded separately.
- Pharmaceuticals and NZ Blood increases will be limited to FFT.
- Any pandemic costs will be funded separately
- Planned service changes are limited to those shown in the Statement of Intent.

The key financial assumptions are:

Assumption	2008/09	2009/10	2010/11
Revenue	2.798%	2.200%	2.200%
Net adjusters (including Performance related)	0.500%	1.000%	1.000%
Demographic adjustment	1.800%	1.800%	1.800%
CPI Provider Expenditure (inflation)	2.798%	2.200%	1.700%
CPI Non-BOPDHB Provider (inflation)	2.798%	2.200%	1.700%
Staff Costs (average movement)	2.798%	2.200%	1.700%
Staff Costs (numbers)	1.800%	2.800%	1.800%
Interest Rate – CHFA	6.500%	6.250%	6.150%
Interest Rate – Working Capital	7.250%	6.500%	6.400%
USD/NZD	0.8100	0.7500	0.7300

Significant Financial Risks

All DHBs face pressure from additional expenditure which must be managed within allocated funding.

The impact of policy changes (such as last year’s Holidays Act) are included in a base increase in funding via the Future Funding Track (FFT) of 2.798 percent.

Management of expenditure pressure will require considerable restraint, and focused exploration of productivity improvements.

In employment negotiations there will be a focus on increased workforce flexibility, increased productivity, and fair and reasonable wage increases that are affordable.

The DHB will have to manage staff numbers to appropriate levels and may implement changes to service configuration. These efforts will have to be prioritised within the DHB’s service priorities and demographics.

CROWN REVENUE

The Ministry of Health has provided the Bay of Plenty DHB with estimates of revenue for the financial year ended 30 June 2009 and the revenue assumptions for the following two years.

The revenue increase is approximately 2.798% for the financial year ended 30 June 2009, and 2.200% for the following two financial years along with allowances for population growth and changes in population demographics.

Bay of Plenty DHB will continue to operate within the long term revenue provided by Government.

Risk	Mitigation
Outer year forecast revenue may change as a result of government policy, new initiatives and other factors.	Estimates of future revenue have been based on information supplied from the Ministry of Health.
Census figures indicate a growth in the population of the Bay of Plenty of between 2% & 3% per annum. This exceeds the amount currently included in Ministry of Health, Statistics New Zealand and Treasury estimates.	Revenue is allocated using a Population Based Funding approach and this is updated as census information becomes available. Adjustments are generally made over a 2-3 year period but are not included in the Ministry of Health's demographic adjuster estimates until they occur.

OTHER REVENUE

Other revenue is earned from a variety of sources and is expected to continue to grow at a rate approximately equal to inflation.

Risk	Mitigation
Bay of Plenty DHB has no long term undertakings for much of this revenue.	The revenue has multiple sources and the risk of significant change is minimised.

NET INTER-DISTRICT FLOWS (IDFs)

All district health board's have some people who are resident within the DHB district who receive services in other districts.

Bay of Plenty has significant outflows throughout the year to Auckland City Hospital, Auckland City Children's Hospital and Waikato Hospital for tertiary services and some upper level secondary services. Outflows also occur to Lakes DHB for some people resident in the Murupara/ Uruwera areas who may access services at Rotorua Hospital rather than travelling to Tauranga or Whakatane hospitals. A similar inflow occurs to Tauranga Hospital for some people in the Waihi area (which is within the Waikato DHB region).

Bay of Plenty's major inflow is through holiday makers over the Christmas and New Year period in particular.

Risk	Mitigation
New or additional inter-district flows are identified by other DHBs.	There is an established national process for identification and wash-up of IDFs.
Some DHBs provide services that are not prioritised for purchase by the Bay of Plenty DHB.	Where possible efforts are made to minimise outflows to other DHBs and access criteria are agreed.
Other DHBs may no longer be able to deliver IDF volumes to Bay of Plenty residents due to change in their services or population/volume growth.	There is an established national process for changes to IDFs.

PAYMENTS TO PROVIDERS

Payments are made to health and disability service providers in both the Non-Government Organisation (NGO) sector and the DHB's own provider arm.

Bay of Plenty DHB allocates funding received through a Crown appropriation using a robust process to prioritise benefit against health need.

Expenditure on health & disability services within the district is expected to grow in line with long-term revenue growth. The DHB is committed to not expending more funding than it is allocated.

Risk	Mitigation
Impacts of new government initiatives may result in new services being purchased at additional cost.	The DHB would expect to receive additional revenue to meet the additional costs associated with particular government initiatives introduced outside the DHB's prioritisation process.
Many health and disability services can be demand driven and unmanaged increases in volumes result in increased costs.	Some services are purchased on a capitated, risk share or fixed basis to reduce the DHB's exposure to unexpected increases in demand driven volumes.

EMPLOYMENT COSTS

The largest single cost for the DHB, either directly through it's own provider arm or indirectly through the NGO sector, is employee costs.

The DHB is expected to directly employ 2,272 FTE during the year ended 30 June 2009. Employee numbers are expected to grow by a small percentage each year reflecting the growth in volumes driven by demographic change and new service initiatives.

Many employee groups are now on regional or national MECA (Multi-Employer Collective Agreements).

Bay of Plenty DHB is committed to maintaining the overall cost of employee wage movements, including step increases, within the future funding increases.

Risk	Mitigation
Employee expectations remain high.	The DHB works to clearly explain the funding available to it for pay increases.
The move to national and regional MECA have made local management of cost growth difficult.	The DHB works to clearly explain to all parties the funding available to the DHB for pay increases. Bargaining is carried out within the Health Sector's 'good faith' process. Some agreements are on a partnership basis.

OPERATING COSTS

Bay of Plenty DHB operating costs are broken into three classifications:

Outsourced costs – those costs related to parts of the services that have been outsourced or subcontracted to third parties.

Clinical costs – those costs directly related to the provision of the health and disability services provided by the DHB, including pharmaceuticals and consumables.

Infrastructural Costs – those costs indirectly related to the provision of health and disability services by the DHB, including transport, hotel services, interest, depreciation and capital charge costs.

Each classification has different imperatives around cost growth but as an average increases are expected to remain within the long term revenue growth.

Risk	Mitigation
Cost growth expectations remain high particularly for clinical supplies.	National provider and supplier contracts (including NZ Blood and Pharmac) are often negotiated on a national level.
Approximately \$10-15m of purchases are influenced, directly or indirectly, by movements in the exchange rate, the majority in relation to the United States Dollar.	Purchasing is in New Zealand Dollars wherever possible. Longer term contracts are used to help minimise short-term fluctuations in price. For significant items, purchased in a foreign currency, then foreign exchange hedging is considered and utilised where appropriate.
Fuel prices can have a significant impact on the running costs of more than 300 vehicles	The DHB has limited ability to control the direct impact of a fuel price increase. The DHB does encourage efficient use of vehicles including carpooling.
- Increases in interest rates	The DHB manages interest rate risk through the use of interest rate hedging and fixed interest mechanisms.
- The capital charge rate may change	No change is expected in the current year. The DHB would expect revenue to be adjusted accordingly to neutralise any change in rate.

PROSPECTIVE STATEMENT OF CASHFLOWS

Operating cashflows remain positive throughout the forecast period.

The operating cashflow surplus along with additional equity and borrowings will be utilised for the significant capital investment currently underway at Tauranga Hospital (Project LEO) and those being planned for Oral Health Services, Whakatane Hospital and possible further developments at Tauranga Hospital.

Active cash management uses excess cash balances ahead of borrowing or equity injections to delay and reduce the level of borrowing or equity injections.

PROSPECTIVE STATEMENT OF CASHFLOWS FOR THE THREE YEARS ENDED 30 JUNE 2009, 2010 AND 2011

\$m	<i>Estimate</i>				
	<i>Actual 2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Operating	17.4	6.7	14.0	16.7	17.2
Investing	(54.2)	(52.5)	(44.1)	(15.3)	(17.3)
Financing	36.1	44.8	30.1	(1.2)	0.2
Total Net Cashflow	(0.7)	(1.0)	0.0	0.2	0.1

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Bay of Plenty DHB has entered a redevelopment phase from a strong position.

The Statement of Financial Position reflects the increased investment in the building infrastructure of the DHB which is partially supported by increased borrowing and equity.

Working capital remains steady through out the three year plan period.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009, 2010 AND 2011

\$m	Estimate				
	Actual 2007	2008	2009	2010	2011
Current Assets	17.8	18.3	18.4	18.7	19.0
Current Liabilities	53.5	59.1	71.8	60.9	65.1
Working Capital	(35.7)	(40.8)	(53.4)	(42.2)	(46.1)
Term Assets	134.0	175.1	204.3	203.1	203.5
Term Liabilities	35.7	68.2	84.3	80.7	77.2
Equity	62.6	66.1	66.6	80.2	80.2

Equity and Long-Term Debt Facilities

Bay of Plenty DHB relies on a mix of debt and equity to fund assets utilised in the delivery of health services.

Government policy requires the Bay of Plenty DHB to source all long-term debt and equity from the Crown through the Crown Health Financing Agency.

The DHB is allowed to maintain a working capital facility with a trading bank. A working capital facility is maintained with Westpac, who also provide transactional banking facilities.

The commitment to the Tauranga Hospital Redevelopment Project (project LEO) and other likely infrastructure redevelopments require increased levels of borrowings and equity support. The estimated levels of borrowing and equity support required may fluctuate due to:

1. Stronger or weaker than expected financial performance;
2. Escalation of construction costs and additional compliance costs not foreseen when the business case(s) are prepared;
3. Possible new redevelopment and service configurations; and
4. The need to maintain current equipment replacement programmes.

Bay of Plenty DHB remains committed to minimising its reliance on additional borrowings or equity support.

Increased interest costs and capital charge costs from additional borrowings and equity support are to be affordable and must be met from within the operational budget of Bay of Plenty DHB.

PROSPECTIVE ESTIMATES OF DEBT AND EQUITY
AS AT 30 JUNE 2009, 2010 AND 2011

\$m	<i>Estimate</i>				
	<i>Actual 2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Long-term Debt	35.0	67.5	83.6	80.0	76.4
Equity from the Crown	62.6	66.1	66.6	80.2	80.2
Estimated Movements					
Current & Long-term debt drawn	26.0	39.2	27.8	0.0	3.8
Current & Long-term debt repaid	0.0	0.0	0.0	14.8	3.6
Net Equity injections	10.1	5.6	2.4	13.6	0.0

All debt is unsecured. The Bay of Plenty DHB is no longer required to meet negative pledge conditions including financial covenants.

ASSET MANAGEMENT

Bay of Plenty DHB is continuing development of its Asset Management Plan, with a view to a more strategic approach to asset maintenance, replacement and investment. The plan reflects the joint approach taken by all DHB's and current best practice within the health sector.

The plan itself utilises the framework identified as most appropriate by a joint-DHB workgroup and was based on the International Infrastructure Management Manual¹².

Currently the Board has allocated funding equivalent to depreciation for investment in normal asset replacement and some new assets.

Project LEO, the Tauranga Campus Redevelopment Project, is outside the scope of the normal capital investment and is being funded by a combination of debt, equity and operating cashflows, including cashflows generated from efficiency and effectiveness projects as part of the process reengineering.

\$m	<i>Actual</i>	<i>Estimate</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>2007</i>	<i>2008</i>			
Annual Depreciation	8.9	12.2	15.7	17.4	17.9
Tauranga Campus	50.4	40.2	36.6	7.2	9.3
Regular Capital Expenditure	4.8	13.1	8.3	9.0	9.0
Total Capital Expenditure	55.2	53.3	44.9	16.2	18.3

Capital Expenditure Business Cases

The BOPDHB understands that approval of the Statement of Intent is not approval of any particular business case. Some business case will still be subject to a separate approval process that includes Ministry of Health and Treasury officials prior to a recommendation being made to the Minister of Health. The process is outlined in the Guidelines for Capital Investment¹³.

The Board also requires Management to obtain final approval in accordance with delegations prior to purchase or construction commencing.

¹² International Infrastructure management Manual (Australia/New Zealand Edition 2002) developed jointly by the New Zealand National Asset Management Steering Group and Institute of Public Works Engineering Australia.

¹³ Guidelines for Capital Investment, issued by the Ministry of Health, October 2003.

Alternate Funding

As business cases are finalised for presentation to the Board or Ministry, managers will review the most appropriate financing option currently available for the particular item. This may result in items being acquired via donation or leasing options and therefore not being purchased via the capital expenditure programme.

Strategic Capital Developments

PHASE I – PROJECT LEO (TAURANGA CAMPUS REDEVELOPMENT)

Estimated Total Investment \$139.4m

Expected Completion 2009-10

A major redevelopment of the Tauranga Hospital campus is underway. The project involves construction of a two story podium and the North Wing (a four story ward block) along with renovation of the West Wing and either a renovation or rebuild of the East Wing.

As part of the project the Bay of Plenty DHB is undertaking a review of all services and processes in parallel with the building redevelopment.

The aim is to ensure that all services are delivered in the most appropriate way and that service delivery is supported by the building facilities and business infrastructure. Where possible, process improvements are also being implemented at Whakatane Hospital.

The Board has approved project principles including:

- People Centred
- Effectiveness and Efficiency
- Flexibility and Adaptability

- Project LEO has been approved by the Minister of Health, though some funding remains subject to the DHB meeting additional conditions. The DHB is working to meet all conditions.

PHASE II – WHAKTANE CAMPUS REDEVELOPMENT

Estimated Total Investment \$70m

Expected Completion 2012-13

- Whakatane Campus Redevelopment is subject to the submission and approval of a business case by the Minister of Health following submission to the Regional and National Capital Committees.

- Public consultation is currently underway on the appropriate mix of community based primary services. This will then inform the development of the district's clinical services plan and of an appropriate mix/location of secondary services. A business case will then be submitted for consideration. The design process and business case development are currently at early stages.

- No allowance has been made for Whakatane Campus Redevelopment in the financial projections as the project is not yet approved by National Capital Committee

PHASE III – FUTURE DEVELOPMENT TAURANGA CAMPUS

Estimated Total Investment \$30m

Expected Completion 2013-14

-
- Further redevelopment at Tauranga Campus is subject to the submission and approval of a business case by the Minister of Health following submission to the Regional and National Capital Committees.

-
- The project is at very early stages of the design process and business case development.

ORAL HEALTH

Estimated Total Investment \$12.85m

Expected Completion 2010-11

-
- The Bay of Plenty DHB has submitted a business case, requesting additional debt and equity, in relation to upgrading Oral Health Services throughout the Bay of Plenty, using the approach and specifications established by the Ministry of Health. This is currently being considered by the National Capital Committee.

-
- If successful the investment would allow a movement away from a fixed clinic approach to a more suitable mixture of fixed and mobile clinics with a resultant improvement in access and health outcomes.

REGULAR CAPITAL EXPENDITURE

Estimated Total Investment \$9m per annum

-
- The Bay of Plenty DHB plans to maintain its other assets through a regular replacement programme. It budgets to expend approximately \$9m per annum on its replacement programme.

Asset Disposals

The BOPDHB actively reviews assets to ensure that it has no surplus assets. No significant assets are scheduled for disposal during the plan period as a result of being surplus. Some minor asset disposals will occur as part of the regular capital replacement programme.

Disposal of Land

The approval of the Minister of Health is required prior to the DHB disposing of land. The disposal process is a protective mechanism governed by various legislation and policy requirements.

Revaluations

All Land & Buildings were revalued during the year ended 30 June 2006. An update revaluation is scheduled to be completed during the year ended 30 June 2009.

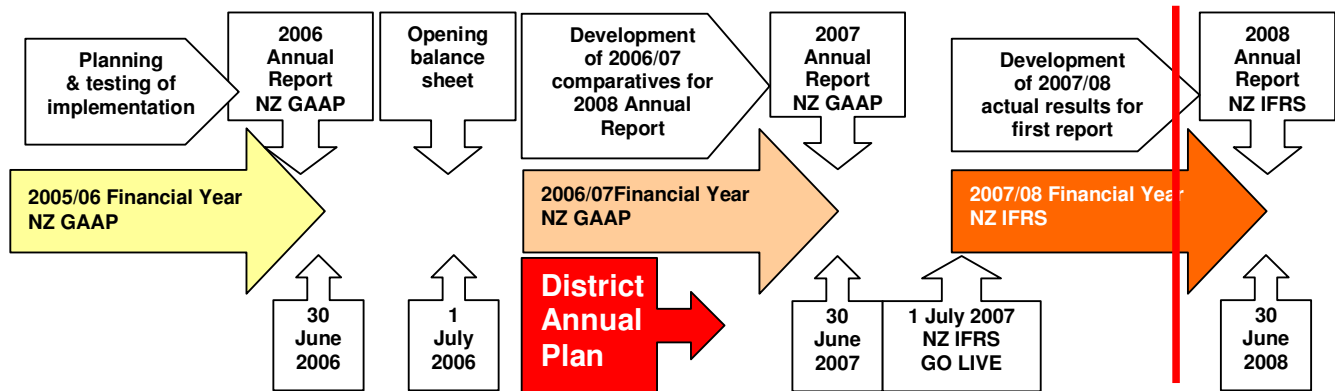
The revaluation of land and buildings is not expected to be material, and no allowance is included in the estimates provided.

The revaluation may add additional costs related to depreciation and capital charge in the two financial years, 2009/10 & 2010/11, and, should it become evident these are likely to be material, an allowance will be made in future planning for the impact of the scheduled revaluation.

PROCEDURE FOR BUYING SHARES

The approval of the Ministers' of Health and Finance is required prior to the DHB taking a shareholding interest in any entity.

IMPLEMENTATION OF NEW ZEALAND EQUIVALENTS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS



NZ IFRS IMPLEMENTATION TIMEFRAMES

As a Crown entity, the Bay of Plenty District Health Board has adopted New Zealand Equivalents of International Financial Reporting Standards (NZ IFRS) in accordance with the Crown's timetable.

The Crown, through the Treasury, requires Crown Entities to adopt NZ IFRS for accounting periods commencing on or after 1 January 2007.

For Bay of Plenty District Health Board, this means that NZ IFRS has been implemented for the financial year commencing on 1 July 2007. The first NZ IFRS financial statements will be for the year ending 30 June 2008 and will be included in the 2008 Annual Report.

Implementation Progress

The Board has made a review of the impact on its financial statements of adopting NZ IFRS.

An opening Statement of Financial Position as at 1 July 2006 was prepared in accordance with NZ IFRS and audited. Adjustments were made for the standards that significantly varied from current NZ GAAP and impacted on the district health board. These were:

- NZ IAS 16: Property, plant and equipment
- NZ IAS 19: Employee benefits
- NZ IAS 20: Accounting for government grants and disclosure of government assistance
- NZ IAS 32: Financial instruments, disclosure and presentation
- NZ IAS 36: Impairment of assets
- NZ IAS 38: Intangible assets and goodwill
- NZ IAS 39: Financial instruments, recognition and measurement

Most New Zealand entities would also expect a significant impact from NZ IAS 12: Income taxes. However, Bay of Plenty District Health Board is not a taxpayer and the impact is therefore immaterial.

Comparative figures calculated in accordance with NZ IFRS were also prepared throughout the financial year ended 30 June 2007 for use in the 2008 Annual Report.

Measurement & Presentation

The critical measurement and recognition policies are substantially the same as the equivalent NZ IFRS and where there is a difference this is unlikely to be material.

The Board has identified several areas where disclosure will increase or change.

There were also a number of instances where the previously used NZ Generally Accepted Accounting Policies were more onerous than NZ IFRS, often due to the sector neutral reporting standards currently adopted in New Zealand.

NZ IFRS requires the Board to present more information on the face of the financial statements, rather than in notes.

Additional information on the adoption of NZ IFRS is contained in the 2007 Annual Report.

Prospective Financial Statements

IMPORTANT NOTE: The Prospective Financial Statements have been completed in a manner consistent with accounting policies and procedures that will be used for the annual Financial Statements.

The accounting policies are those contained in the 2008/9 Statement of Intent. The accounting policies for the 2008/9 Financial Year reflect the implementation of New Zealand Equivalents of International Financial Reporting Standards (NZ IFRS) from 1 July 2007.

The NZ IFRS accounting policies differ in some areas from those used in prior financial years, however the resulting changes in accounting policy are mostly around disclosure and are do not make a material difference to the financial performance or financial position.

Consolidated Statement of Prospective Financial Performance	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
Revenue	460.3	504.3	544.0	571.8	599.7
Less operating expenditure					
DHB Provider expenditure	228.6	237.4	250.1	262.3	275.7
External provider expenditure	208.0	242.5	263.1	274.4	287.7
Governance & Funding Administration	4.4	5.0	6.0	6.3	6.7
Taxation (may apply to subsidiaries and associates)	0.0	0.0	0.0	0.0	0.0
Total Operating Expenditure	441.0	484.9	516.8	540.4	567.7
Surplus/(Deficit) before Interest, Depreciation and Capital Charge	19.3	19.4	24.8	28.8	29.6
Interest	1.5	4.1	5.7	5.5	5.3
Depreciation	8.9	12.2	15.7	17.4	17.9
Capital Charge	4.6	5.2	5.3	5.9	6.4
NET SURPLUS/(DEFICIT)	4.3	(2.1)	(1.9)	0.0	0.0

Consolidated Statement of Prospective Movements in Equity	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
Crown equity at start of period	48.0	62.6	66.1	66.6	80.2
Surplus/(Deficit) for the period	4.3	(2.1)	(1.9)	0.0	0.0
Contributions from Crown	10.1	5.6	2.4	13.6	0.0
Distributions to Crown	0.0	0.0	0.0	0.0	0.0
Revaluation adjustments	0.2	0.0	0.0	0.0	0.0
Crown equity at end of period	62.6	66.1	66.6	80.2	80.2

Consolidated Statement of Prospective Financial Position	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
CROWN EQUITY	62.6	66.1	66.6	80.2	80.2
<u>CURRENT ASSETS:</u>					
Bank balances, deposits and cash	1.7	0.7	0.6	0.8	0.9
Receivables	13.2	14.5	14.6	14.6	14.7
Properties intended for sale					
Inventory	2.9	3.1	3.2	3.3	3.4
	17.8	18.3	18.4	18.7	19.0
<u>CURRENT LIABILITIES:</u>					
Payables and Accruals	53.5	59.1	71.8	60.9	65.1
Net Working Capital	(35.7)	(40.8)	(53.4)	(42.2)	(46.1)
<u>NON CURRENT ASSETS:</u>					
Fixed Assets	133.8	174.9	204.1	202.9	203.3
Investments	0.2	0.2	0.2	0.2	0.2
	134.0	175.1	204.3	203.1	203.5
<u>NON CURRENT LIABILITIES:</u>					
Borrowings & Provisions	35.7	68.2	84.3	80.7	77.2
NET ASSETS	62.6	66.1	66.6	80.2	80.2

Consolidated Statement of Prospective Cash Flows	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
OPERATING CASHFLOWS					
Cash inflows from operating activities	453.6	502.4	543.1	570.8	598.7
Cash outflows for operating activities	436.2	495.7	529.1	554.1	581.5
	17.4	6.7	14.0	16.7	17.2
INVESTING CASHFLOWS					
Cash inflows from investing activities	1.0	0.8	0.8	0.8	0.9
Cash outflows for investing activities	55.2	53.3	44.9	16.2	18.2
	(54.2)	(52.5)	(44.1)	(15.4)	(17.3)
FINANCING CASHFLOWS					
Cash inflows from financing activities	36.1	44.8	30.1	13.6	3.8
Cash outflows for financing activities	0.0	0.0	0.0	14.8	3.6
	36.1	44.8	30.1	(1.2)	0.2
Net increase/(decrease) in cash held	(0.7)	(1.0)	0.0	0.1	0.1
Add opening cash balance	2.4	1.7	0.6	0.7	0.8
CLOSING CASH BALANCE	1.7	0.7	0.6	0.8	0.9
Made up from:					
Balance Sheet Bank and Cash	1.7	0.7	0.6	0.8	0.9

DHB Funds Statement of Prospective Financial Performance	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
REVENUE					
Government Revenue	432.5	477.2	515.9	541.7	568.5
EXPENSES					
Personal Health	314.2	356.7	383.3	402.5	422.4
Mental Health	47.4	47.1	53.3	54.0	56.7
Disability Support Services	54.4	64.0	69.2	72.7	76.3
Public Health	0.3	1.1	2.0	2.1	2.2
Maori Health	2.9	4.1	4.8	5.0	5.2
Governance & Administration	7.1	4.5	5.2	5.4	5.7
	426.3	477.5	515.4	539.1	566.1
SURPLUS/(DEFICIT)	6.2	(0.3)	(1.9)	0.0	0.0

DHB Governance & Funder Administration Statement of Prospective Financial Performance	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
REVENUE					
Government Revenue	7.2	4.4	5.1	5.4	5.7
Other Revenue	0.1	0.1	0.1	0.1	0.1
	7.3	4.5	5.2	5.5	5.8
EXPENSES					
Personnel Costs	2.8	3.2	4.6	4.8	5.1
Outsourced Services	0.2	0.3	0.3	0.3	0.4
Clinical Supplies	0.1	0.0	0.0	0.0	0.0
Infrastructure & Non Clinical	3.4	3.4	2.8	2.8	2.8
	6.5	6.9	7.7	7.9	8.3
SURPLUS/(DEFICIT)	0.8	(2.5)	(2.5)	(2.4)	(2.5)

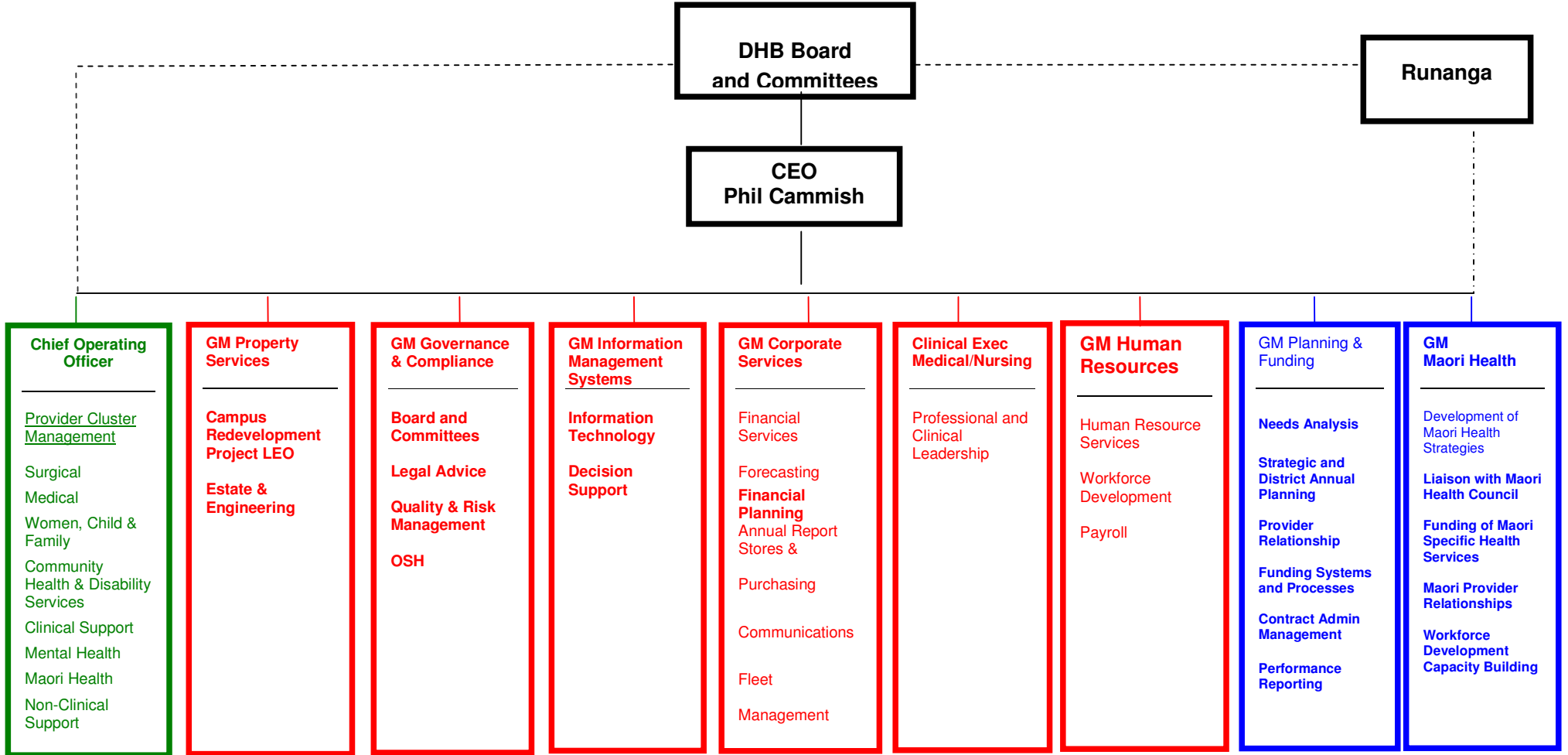
DHB Provider Statement of Prospective Financial Performance	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
REVENUE					
Government Revenue	232.8	251.4	271.4	284.9	299.2
Other Revenue	5.9	6.1	6.1	6.9	6.9
	238.7	257.5	277.5	291.8	306.1
EXPENSES					
Personnel Costs	145.0	152.7	166.5	174.8	183.5
Outsourced Services	26.7	26.2	22.0	23.1	24.3
Clinical Supplies	33.9	37.2	39.6	41.6	43.7
Infrastructure & Non Clinical	35.8	40.8	46.9	49.9	52.1
	241.4	256.9	275.0	289.4	303.6
SURPLUS/(DEFICIT)	(2.7)	0.6	2.5	2.4	2.5

Consolidated Statement of Prospective Commitments and Contingent Liabilities	2006/07	2007/08	2008/09	2009/10	2010/11
	\$M	\$M	\$M	\$M	\$M
	Actual	Forecast	Plan	Plan	Plan
COMMITMENTS					
Capital commitments	53.4	20.9	5.0	6.0	12.0
Operating lease commitments	0.2	0.2	0.2	0.2	0.2
Other operating	35.1	17.9	18.0	18.2	18.4
TOTAL COMMITMENTS	88.7	39.0	23.2	24.4	30.6
CONTINGENT LIABILITIES	0.0	0.0	0.0	0.0	0.0

8.0 Appendices



**BAY OF PLENTY DISTRICT HEALTH BOARD
STRUCTURE**



Service Provision

Board Statement of Intent 2008/2011 18/06/08

Corporate Management

Planning / Funding

BAY OF PLENTY DISTRICT HEALTH BOARD

NEW ZEALAND EQUIVALENT OF INTERNATIONAL FINANCIAL REPORTING STANDARDS Statement of Accounting Policies For the Year Ended 30 June 2009

STATEMENT OF ACCOUNTING POLICIES

As at 1 March 2008

Bay of Plenty District Health Board prepares general purpose financial reporting in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as defined by New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The accounting policies detailed below will be utilised in preparing the financial statements of the Bay of Plenty District Health Board for the year ended 30 June 2009, including comparatives for the year ended 30 June 2008.

Accounting policies will be changed only if the change is required by a standard or interpretation or will otherwise provide more reliable and relevant information.

REPORTING ENTITY

Bay of Plenty District Health Board is a district health board established by the New Zealand Public Health and Disability Act 2000. Bay of Plenty District Health Board is a crown entity in terms of the Crown Entities Act 2004, owned by the Crown and domiciled in New Zealand. Bay of Plenty District Health Board is a reporting entity for the purposes of the New Zealand Public Health and Disability Act 2000, the Financial Reporting Act 1993, the Public Finance Act 1989 and the Crown Entities Act 2004.

Bay of Plenty District Health Board is a public benefit entity, as defined under NZ IAS 1.

Bay of Plenty District Health Board's activities involve funding and delivering health and disability services in a variety of ways to the Bay of Plenty community.

The financial statements for the financial year ended 30 June 2009 are expected to be authorised for issue by the Board in September or October 2009.

STATEMENT OF COMPLIANCE

The financial statements for the year ended 30 June 2009 will be prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements for the year ended 30 June 2009 will be Bay of Plenty District Health Board's second NZ IFRS financial statements.

An explanation of the transition to NZ IFRS and how it may affect the reported financial position and financial performance is provided in the Annual Report 2007 (See Note 18, Notes to the Financial Statements, page 77).

BASIS OF PREPARATION

The financial statements will be presented in New Zealand Dollars (NZD), rounded to the nearest thousand.

The financial statements will be prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments (foreign exchange and interest rate swap contracts), financial

instruments classified as available-for-sale, land and buildings and investment property. Non-current assets held for sale and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The accounting policies set out below will be applied consistently to all periods presented in the financial statements for the year ended 30 June 2009 including comparative figures for the year ended 30 June 2008.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions will be based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of NZ IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year will be disclosed.

In addition, the financial statements of the Bay of Plenty District Health Board will be prepared in accordance with the requirements of the New Zealand Public Health and Disability Act 2000, the Financial Reporting Act 1993, the Public Finance Act 1989 and the Crown Entities Act 2004.

SPECIFIC ACCOUNTING POLICIES

The particular accounting policies that materially affect the measurement or results and the financial position are outlined below.

Basis of Consolidation

Bay of Plenty District Health Board has shareholdings in three associates, HealthShare Limited, Venturo Limited and Bay Imaging Group Limited, and participates in commercial and financial policy decisions of those companies.

Associates

Associates are those entities in which Bay of Plenty District Health Board has significant influence, but not control, over the financial and operating policies.

The financial statements include Bay of Plenty District Health Board's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When Bay of Plenty District Health Board's share of losses exceeds its interest in an associate, Bay of Plenty District Health Board's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent

that Bay of Plenty District Health Board has incurred legal or constructive obligations or made payments on behalf of an associate.

Joint Ventures

Joint ventures are those entities over whose activities Bay of Plenty District Health Board has joint control, established by contractual agreement. The consolidated financial statements include Bay of Plenty District Health Board's interest in joint ventures, using the equity method, from the date that joint control commences until the date that joint control ceases.

Subsidiaries

Subsidiaries are entities controlled by Bay of Plenty District Health Board. Control exists when Bay of Plenty District Health Board has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Business combinations involving entities under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Bay of Plenty District Health Board applies the book value measurement method to all common control transactions.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of Bay of Plenty District Health Board's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Budget & Comparative Figures

The budget figures will be those approved by the Bay of Plenty District Health Board for the year ended 30 June 2009 in its District Annual Plan and included in the Statement of Intent tabled in parliament.

The budget figures will be prepared in accordance with NZ GAAP. They will comply with NZ IFRS and other applicable Financial Reporting Standards as appropriate for public benefit entities. They will be prepared in a manner consistent with the accounting policies adopted by Bay of Plenty District Health Board for the preparation of the financial statements for the year ended 30 June 2009.

Comparative figures in the statement of financial performance, statement of movements in equity and statement of cash flows will be presented for the 12 months operations from 1 July 2007 to 30 June 2008. The comparative figures in the statement of financial position will be as at 30 June 2008.

When presentation or classification of items in the financial statement is amended or accounting policies are changed voluntarily, comparative figures will be restated to ensure consistency with the current period unless it is impracticable to do so.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances, call deposits and deposits with a maturity of no more than three months from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of Bay of Plenty District Health Board's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Derivative financial instruments

Bay of Plenty District Health Board uses foreign exchange and interest rate swaps contracts to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities.

Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of financial performance.

The fair value of interest rate swaps is the estimated amount that Bay of Plenty District Health Board would receive or pay to terminate the swap at the date of the Statement of Financial Position, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the date of the Statement of Financial Position, being the present value of the quoted forward price.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of financial performance as incurred.

Defined benefit plan

Bay of Plenty District Health Board's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the date of the Statement of Financial Position on New Zealand government bonds that have maturity dates approximating to the terms of Bay of Plenty District Health Board's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statement of financial performance on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the statement of financial performance.

Where applicable, all actuarial gains and losses as at 1 July 2006, the date of transition to NZ IFRS, were recognised. Likewise, all actuarial gains and losses that arise subsequent to the transition date in calculating Bay of Plenty District Health Board's obligation in respect of a plan are recognised in the statement of financial performance.

Long service leave, sabbatical leave and retirement gratuities

Bay of Plenty District Health Board's net obligation in respect of long service leave, sabbatical leave and retirement gratuities is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the date of the Statement of Financial Position.

Annual leave, conference leave, sick leave and medical education leave

Annual leave, conference leave, sick leave and medical education leave are short-term obligations and are calculated on an actual basis at the amount Bay of Plenty District Health Board expects to pay. Bay of Plenty District Health Board accrues the obligation for paid absences when the obligation both relates to employees' past services and it accumulates.

Expenses

Operating lease payments

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

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

Net financing costs

Net financing costs comprise interest paid and payable on borrowings calculated using the effective interest rate method, interest received and receivable on funds invested calculated using the effective interest rate method, dividend income and gains and losses on hedging instruments that are recognised in the statement of financial performance.

The interest expense component of finance lease payments is recognised in the statement of financial performance using the effective interest rate method.

Cost of Service (Statement of Service Performance)

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

Cost Allocation

Bay of Plenty District Health Board has arrived at the net cost of service for each significant activity using the cost allocation system outlined below.

Cost Allocation Policy

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

Criteria for Direct and Indirect Costs

Direct costs are those costs directly attributable to an output class.

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

Cost Drivers for Allocation of Indirect Costs

The cost of internal services not directly charged to outputs is allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Statement of Financial Position are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of financial performance. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZD at foreign exchange rates ruling at the dates the fair value was determined.

Hedging of monetary assets and liabilities

Where a derivative financial instrument is used to hedge economically the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the statement of financial performance.

Impairment

The carrying amounts of Bay of Plenty District Health Board's assets other than investment property, inventories and inventories held for distribution are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each date of the Statement of Financial Position and was estimated at the date of transition.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the statement of financial performance.

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of financial performance even though the financial asset

has not been derecognised. The amount of the cumulative loss that is recognised in the statement of financial performance is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of financial performance.

Calculation of recoverable amount

The estimated recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is calculated differently depending on whether an asset generates cash or not. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

For non-cash generating assets that are not part of a cash generating unit value in use is based on depreciated replacement cost (DRC). For cash generating assets value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

Impairment gains and losses, for items of property, plant and equipment that are revalued on a class of assets basis, are also recognised on a class basis.

Reversals of impairment

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

An impairment loss on an equity instrument investment classified as available-for-sale or on items of property, plant and equipment carried at fair value is reversed through the relevant reserve. All other impairment losses are reversed through the statement of financial performance.

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

Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of financial performance as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and operationally feasible and Bay of Plenty District Health Board has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the statement of financial performance as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangibles

Other intangible assets that are acquired by Bay of Plenty District Health Board are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the service potential or future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Amortisation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are tested for impairment at each date of the Statement of Financial Position. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Type of intangible asset	Estimated life	Depreciation rate
Capitalised development costs	5 to 7 years	14-20%
Software	2 to 3 years	33-50%

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of financial performance over the period of the borrowings on an effective interest basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on weighted average cost. Work in progress includes the cost of direct materials, direct labour and an appropriate share of overheads.

Inventories held for distribution

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

Investments

Investments in debt and equity securities

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the statement of financial performance.

Other financial instruments held by Bay of Plenty District Health Board are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses and foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of financial performance. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the statement of financial performance.

Financial instruments classified as held for trading or available-for-sale investments are recognised / derecognised by Bay of Plenty District Health Board on the date it commits to purchase / sell the investments.

Investments properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. An external, independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every twelve months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the statement of financial performance. Rental income from investment property is accounted for as described in the accounting policy on rental income (see below).

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in the statement of financial performance.

If an investment property becomes owner-occupied, it is reclassified as property and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording. When Bay of Plenty District Health Board begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when Bay of Plenty District Health Board holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in the accounting policy on operating lease payments and finance lease payments (see below).

Non-current assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable NZIFRSs. Then, on initial classification as held for sale, a non-current asset and/or a disposal group is recognised at the lower of its carrying amount and its fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in the statement of financial performance, even when the asset was previously revalued. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of Bay of Plenty District Health Board's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Property, plant and equipment

Classes of property, plant and equipment

The major classes of property, plant and equipment are as follows:

- freehold land
- freehold buildings
- plant, equipment and vehicles
- fixture and fittings
- work in progress.

Owned assets

Except for land and buildings and the assets vested from the hospital and health service (see below), items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of direct overheads.

Land and buildings are revalued to fair value as determined by an independent registered valuer, with sufficient regularity to ensure the carrying amount is not materially different to fair value, and at least every five years. Any increase in value of a class of land and buildings is recognised directly to equity unless it offsets a previous decrease in value recognised in the statement of financial performance. Any decreases in value relating to a class of land and buildings are debited directly to the revaluation reserve, to the extent that they reverse previous surpluses and are otherwise recognised as an expense in the statement of financial performance.

Additions to property, plant and equipment between valuations are recorded at cost. Where an asset is acquired at nil or nominal consideration the asset will be recognised initially at fair value, where fair value can be reliably determined, with the fair value of the asset received, less costs incurred to acquire the asset, also recognised as revenue in the Statement of Financial Performance.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

For each property, plant and equipment project, borrowing costs incurred during the period required to complete and prepare the asset for its intended use are expensed.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

Property, Plant and Equipment Vested from the Hospital and Health Service

Under section 95(3) of the New Zealand Public Health and Disability Act 2000, the assets of Pacific Health Limited (a hospital and health service company) vested in Bay of Plenty District Health Board on 1 January 2001. Accordingly, assets were

transferred to Bay of Plenty District Health Board at their net book values as recorded in the books of the hospital and health service. In effecting this transfer, the health board has recognised the cost 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.

Disposal of Property, Plant and Equipment

Where an item of plant and equipment is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the net sales price and the carrying amount of the asset.

Leased assets

Leases where Bay of Plenty District Health Board assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

The property held under finance leases and leased out under operating lease is classified as investment property and stated at fair value. Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property on a property-by-property basis.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the service potential or future economic benefits embodied within the new item will flow to Bay of Plenty District Health Board. All other costs are recognised in the statement of financial performance as an expense as incurred.

Depreciation

Depreciation is charged to the statement of financial performance using the straight line method. Land is not depreciated.

Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

Class of asset	Estimated life	Depreciation rate
Buildings	25 to 50 years	4-2%
Plant and equipment	5 to 10 years	10-20%
Vehicles	5 years	20%
Fixture and fittings	3 to 25 years	4-33%

The residual value of assets is reassessed annually.

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

Provisions

A provision is recognised when Bay of Plenty District Health Board has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at

a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Restructuring

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

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by Bay of Plenty District Health Board from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Revenue

Crown funding

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

Revenue relating to specific services

Bay of Plenty District Health Board is required to expend all monies, appropriated for certain specific purposes, during the year in which it is appropriated. Should this not be done, the Ministry of Health may require repayment of the money or Bay of Plenty District Health Board, with the agreement of the Ministry of Health, may be required to expend it on specific services in subsequent years.

The amount unexpended is recognised as a liability where it is likely to be repaid or is shown as a separate reserve within retained earning until expended in subsequent years.

Goods sold and services rendered

Revenue from goods sold is recognised when Bay of Plenty District Health Board has transferred to the buyer the significant risks and rewards of ownership of the goods and Bay of Plenty District Health Board does not retain either continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

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

Rental income

Rental income from investment property is recognised in the statement of financial performance on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the lease term.

Dividend income

Dividend income is recognised in the statement of financial performance when the shareholder's right to receive payment is established.

Taxation**Income Tax**

Bay of Plenty District Health Board is a crown entity under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under section CB3 of the Income Tax Act 1994.

Goods and Services Tax

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

Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently stated at amortised cost less impairment losses. Bad debts are written off during the period in which they are identified.

Contingent Assets and Contingent Liabilities

Contingent liabilities and contingent assets are recorded in the Statement of Contingent Liabilities and Contingent Assets at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Institutional Analysis

The Bay of Plenty District Health Board is not required to provide segment reporting as it is a public benefit entity. Nevertheless information will be presented for material activities in the three output classes of Funder, Governance and Funder Administration and Provider.

Appendix 3

BOPDHB PROGRAMMES OF CARE DEVELOPMENT

Programme of Care (POC)	Status at 29.02.08
Programme of Collaboration (broader determinants of health & overarches all below)	
Older People - Dementia	All completed but partially implemented
Oral Health	
Acute Care	
Modifiable Chronic Conditions - Diabetes - Cardiovascular - Respiratory - Cancer - Neuro / Muscular / Skeletal	
Child Health	
Mental Health	Partially completed development
Cancer Control - Palliative Care	Health Needs Assessment (HNA) completed

Introduction to the Programmes of Care (POC) Framework

The DHB is responsible for understanding the health needs of the people in its area, and making sure those people are able to get the care they need to stay healthy.

The DHB must have a simple way of organising health services so that we get the best results for the resources available.

Programmes of Care are a tool that has been developed to help the DHB organise the planning and funding of services to meet the needs of specific groups of people (populations).

Why do we need PoC?

The BOPDHB will use PoC's to:

- plan and fund services
- organise the local health system so that it works better and has more impact on health and function
- identify ways to work with other organisations and groups to address things outside the health system that have affect on the health of our people, such as safe roads, clean water etc.

What is a PoC?¹⁴

Programmes of Care:

- include a range of services, such as prevention, treatment and support,
- can be for a specific group of people (older people), a particular disease or condition (eg diabetes) or a type of service (eg hospital emergency care).
- will acknowledge the roles of other organisations, groups and individuals who have a key part to play in helping people to be healthy, (as appropriate to the specific health programme issue.)
- describe how health services are linked together and how people can receive the care they need without falling through the cracks.
- will be flexible so people of different cultures, ages, men and women with different needs, can get help and support
- will be based on clear evidence which tells us “ what works, for who, and when?”
- are a way of co-ordinating, connecting and organising all the different parts of the health system
- will be delivered by family doctors, nurses, chemists, community based health services, Māori health services and hospital specialist services.
- focus on things that have been identified as important by the Government, the District Health Board, health experts and our communities.
- are not health plans for individual people; they are ways of organising services to meet the health needs of communities, however, they can be applied to individuals over time to ensure continuity of care across the continuum.

¹⁴ For more information about BOPDHB Programmes of Care contact the Chief Executives Office