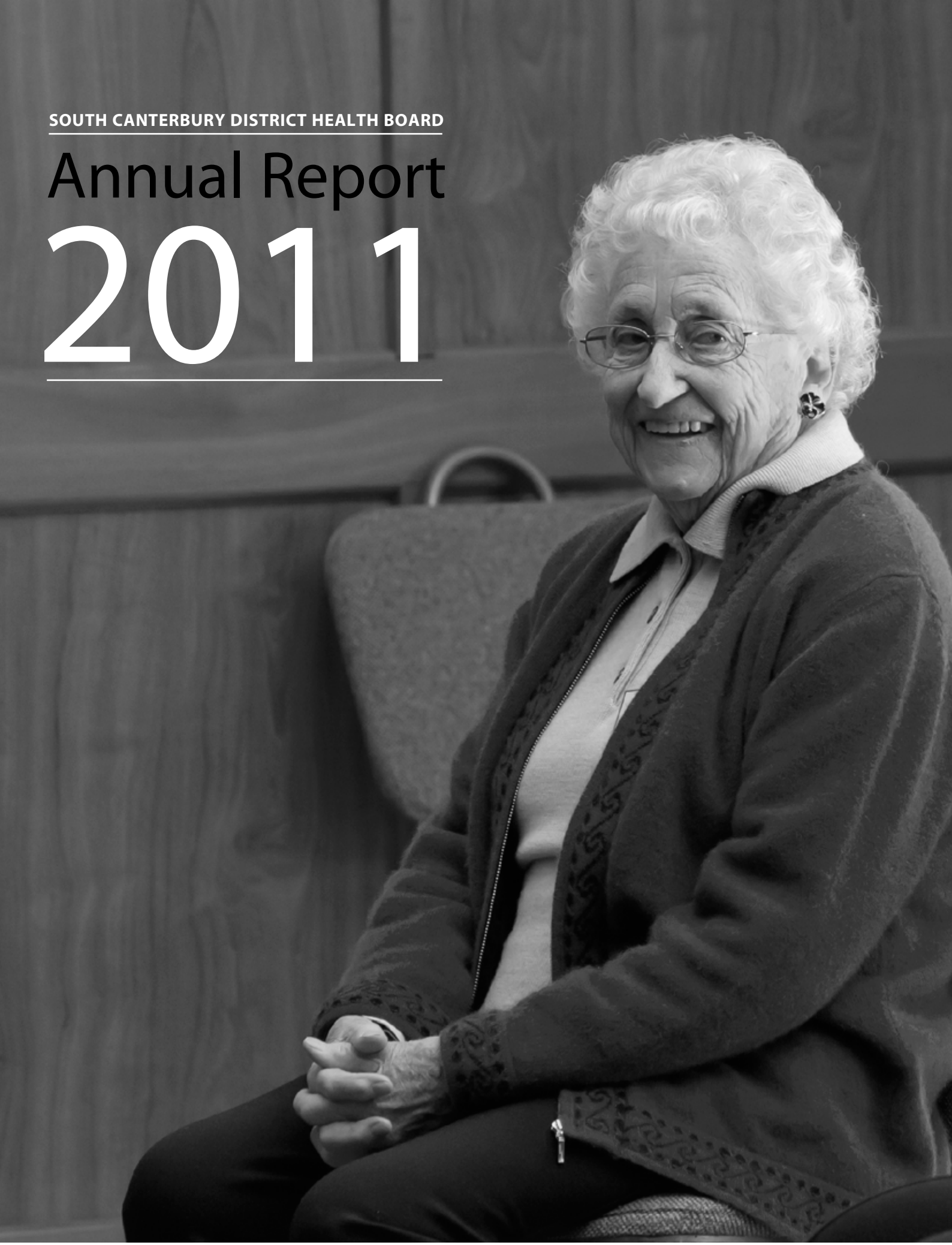
SOUTH CANTERBURY DISTRICT HEALTH BOARD

Annual Report 2011



South Canterbury
District Health Board

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Auditor

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on behalf of The Office of the Controller and Auditor General

Bankers

ANZ Bank

Crown Health Financing Agency

Solicitors

Gresson Dorman & Co

PO Box 244, Timaru

Front Cover

Margery Kerslake was photographed taking part in a "Stay on Your Feet" class at West End Hall, Timaru. "Stay on Your Feet" is funded by SCDHB and provided by Sport South Canterbury. Photo taken by Geoff Cloake.

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SCDHB's 'Year in Review' report is available on our website - www.scdhb.health.nz

About South Canterbury DHB

South Canterbury District Health Board serves people living in South Canterbury. Our boundaries are the Rangitata River in the north, the Waitaki River in the south and Aoraki/Mount Cook in the west. This area has a resident population of 55,260 (1.28% of the national population).

In some ways South Canterbury is significantly different to the New Zealand average population. This includes having the highest percentage of people aged 65+, having half the population live in rural areas, and having the lowest percentage of Maori and Pacific people.

The Ngai Tahu Iwi through their Runaka at Arowhenua (Temuka) and Waihao (Morven) are the mana whenua of South Canterbury.

As an agent of the Crown, the Board is committed to the principles of the Treaty of Waitangi, in particular Māori participation and partnership in health planning and services, and protection of Māori well-being.

Governance
The governance arm is made up of the board and its advisory committees.

Funder
The funder arm is the DHB's planning and funding role. It funds all Ministry-devolved services for the people of South Canterbury. It contracts with, and monitors, the performance of health and disability services provided to South Canterbury people.

Secondary Services
Secondary Services consists of Timaru Hospital and its associated services.

Primary and Community Services
From mid 2010 the DHB established Primary and Community Services. It has responsiblity for general practice and community nursing services.

Our Values - I CARE

Integrity
We will always act with the utmost integrity by:
- Being transparent, open and honest in our dealings with everyone
- Ensuring there are no 'hidden agendas'
- Working for the common good of our community
- Responding to others needs within our capacity and capability
- Cultivating credibility, demonstrating a proven track record through our actions
- Fostering trust with each other and our community

Collaboration
We actively collaborate with others by:
- Consulting with and keeping people well informed
- Being open to and respectful of others opinions, ideas and ways of doing things
- Communicating clearly, sharing information in a timely manner in the most appropriate way
- Responding appropriately when speaking to and in correspondence with others
- Showing a willingness to negotiate, avoiding dismissive behaviours
- Involving those people in the decision making process who are most affected

Accountability
We promote accountability by:
- Taking both personal and collective responsibility for our actions and outcomes
- Adhering to legislation, standards, policy and due process
- Doing what we say we will do and doing it when we say we will do it
- Taking personal responsibility to work effectively with others
- Owning up to our own mistakes and learning from these
- Being punctual fully focussed and committed to the task in hand.
- Acknowledging and addressing difficult issues.

Respect
We show respect to all by:
- Recognising time is a valuable resource, both in the way we use each others time, and the way we use patient's time
- Recognising that the diversity of skills within the organisation is a vital part of a vibrant health organisation and treating each person as a valued individual
- Treating others as we would expect to be treated
- Acknowledging staff efforts ensuring credit is given where credit is due
- Supporting each other in our roles and valuing the contribution each team member makes
- Having a 'no blame 'culture, ensuring feedback is constructive

Excellence
We strive for excellence in everything we do by:
- Embracing evidence based practices in all our activities
- Never tiring of doing what's right for our population, delivering the right care at the right time and in the most appropriate setting by the right people
- Ensuring resources are used wisely to deliver the best service possible to our patients and the community
- Not tolerating waste
- Fostering Continuous Quality Improvement and Innovation
- Cultivating a culture of staff empowerment to make and adapt to change

From the Board

We are pleased to present the Annual Report of the South Canterbury District Health Board for 2010/11.

2010/11 has been a year of challenges, both within South Canterbury and in the broader New Zealand context. The September, February and June earthquakes in Canterbury have been devastating for the Canterbury region and have changed the dynamics of the community forever. The board are proud of the response from health and disability service providers in supporting our neighbours through these challenging times. This support included hospital-based services receiving patients from Christchurch, primary and community health providers seeing out-of-town people who had been both temporarily and permanently relocated, residential care providers opening their doors to residents from facilities that had been destroyed, and staff and other health professionals volunteering to go to Christchurch to help out with the increased pressure Canterbury was facing. Recovery from these events will be slow and we will continue to work in a broader regional context to ensure we support the rebuilding and revitalisation of Christchurch.

The board would also like to thank staff, management and providers for the outstanding results it has achieved throughout the year. The district health board has maintained its long tradition of delivering a high level of access to services across the continuum, performing well in key performance indicators (particularly the national health targets) and delivering health services in a financially sustainable manner. By its very nature there will always be demands to increase the level of health and disability services. The board is very aware of this, and while we are proud of our performance we are determined that we can do even better. We will continue to strive for improvements in the way services are delivered and ensure that we are reinvesting gains in front-line service delivery, be it in the hospital, primary care or the community.

In October, 2010, the district health board elections were held. Nationally there were significant changes in both the elected members and the Ministerial appointments. Neil Anderson and Jan Gilbert , who both contributed their experience and guidance over many years of service, elected not to seek re-election. We thank both of them for the service they have provided and wish them well for the future. The community however, reaffirmed their support for the work of the district health board by re-electing all the existing board members, and we welcomed Paul Annear and Rene Crawford who have taken up the vacated positions. The Minister also reaffirmed his appointed members and we welcomed Peter Lyman, who filled the position Fiona Pimm vacated when she became the general manager of Primary and Community Services.

South Canterbury has played a major part in the planning of regional health services across the South Island in the past year. We have committed to working under an alliance model across the South Island. This means we will take collective responsibility for ensuring areas of common interest are addressed in a sustainable manner. The initial priorities for the alliance are cancer, health of older people, mental health, child health, shared support services, and information technology. This is an exciting opportunity to ensure the sustainability of services across the South Island.

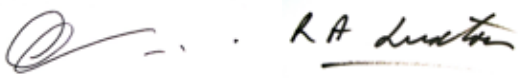
Within South Canterbury there have been a number of positive changes:

Clinical leadership has become stronger and more focused. The new clinical director structures have bedded down over the past year and the Clinical Council (Secondary Services) and the Clinical Governance Group (Primary and Community) have evolved and taken up greater responsibilities for clinical leadership across our district. In the coming year we will be developing this further, as sustainable health and disability services for our community require robust multi-disciplinary clinical leadership and governance.

The challenges of attracting and keeping a skilled and experienced workforce were confronted head-on with the drafting of a workforce strategy for South Canterbury. This has been challenging, but addresses priorities across the hospital and the community. We are in the process of recruiting a workforce strategy advisor to ensure we are implementing the many exciting but challenging activities identified within the plan.

Another key challenge has been around the lack of integrated clinical information. We have a long road ahead of us if we are going to achieve the vision of shared clinical information, which frankly is essential if our community is assured they are receiving world class health services. Two specific initiatives finalised during the year were the roll out of a consistent practice management system within primary care (Medtech), and a new clinical information system (Concerto), implemented in partnership with Canterbury District Health Board, within Timaru Hospital. This will help clinicians find and manage patient information quickly and efficiently, and will reduce errors and the need to duplicate or search for records. We look forward to furthering the exciting opportunities that next year will bring in improvements to information technology.

On behalf of the board I would like to thank the staff and community for their ongoing support. We are very proud of the achievements of the district health board and remain committed to continuing to provide the community with high quality health and disability services.
For, and on behalf of South Canterbury District Health Board,



Murray Cleverley
Chair

Ron Luxton
Deputy Chair

Statement of Financial Responsibility

FOR YEAR ENDED 30 JUNE 2011

1. The Board and management of South Canterbury Distirct Health Board accept responsibility for the preparation of the annual financial statements and the statement of service performance and for the judgements used in them.

2. The Board and management of South Canterbury District Health Board accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

3. In the opinion of the Board and management of South Canterbury District Health Board, the annual financial statements and the statement of service performance for the year ended 30 June 2011 fairly reflect the financial position and operations of South Canterbury District Health Board.

Murray Cleverley
Chair
30 September 2011

Ron Luxton
Deputy Chair
30 September 2011

Chris Fleming
Chief Executive
30 September 2011

South Canterbury
District Health Board

Our Mission

To enhance the health and independence of the people of South Canterbury

Statement of Significant Accounting Policies

FOR YEAR ENDED 30 JUNE 2011

Reporting Entity
South Canterbury District Health Board (SCDHB) is a Health Board established by the New Zealand Public Health and Disability Act 2000. SCDHB is a crown entity in terms of the Crown Entities Act 2004, owned by the Crown and domiciled in New Zealand. SCDHB is a reporting entity for the purposes of the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.
SCDHB is a public benefit entity, as defined under NZIAS 1.
SCDHB's activities involve delivering health and disability services and mental health services in a variety of ways to the community.
In addition, funds administered on behalf of patients have been reported as a note to the financial statements.

Reporting period
The reporting period for these financial statements is for the year ended 30 June 2011.

Statement of Compliance
The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.
These Financial Statements have been authorised for issue by the Board of SCDHB on 30 September 2011. The Board and management are responsible for ensuring that the Financial Statements are prepared using appropriate assumptions and that all disclosure requirements have been met.

Basis of Preparation
The financial statements are prepared on the historical cost basis except that land and buildings are stated at their fair value. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars. The functional currency of SCDHB is New Zealand dollars.

Critical Accounting Estimates and Assumptions
The preparation of financial statements in conformity with NZIFRS 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 are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The present value of the retirement, long service leave, sick leave, senior doctors conference leave, sabbatical leave and senior doctors study cost obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating the liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Basis for Consolidation
SCDHB is required under the Crown Entities Act 2004 (the "Act") to prepare consolidated financial statements in relation to the group for each financial year. Consolidated financial statements for the group have not been prepared using the acquisition method due to the small size of its subsidiary, HSC Charitable Trust, which means that the parent and the group amounts are not materially different. Information relating to HSC Charitable Trust is separately disclosed in the notes to the financial statements.

Accounting Policies
The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied consistently in preparing these financial statements:

1. Budget Figures
The budget figures are those approved by the Board and published in its Statement of Intent, which is the external accountability document prepared by SCDHB under the Crown Entities Act 2004. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

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

Statement of Significant Accounting Policies

3. Taxation
SCDHB is exempt from income tax as it is a public authority.

4. Donations and Bequest Funds
Donations and bequests to SCDHB are recognised as revenue when control over assets is obtained. A liability, rather than revenue, is recognised where fulfilment of any restrictions attached to those assets is not probable. Those donations and bequests with restrictive conditions are appropriated from retained earnings to the special funds component of equity. When expenditure is subsequently incurred in respect of these funds it is recognised in the Statement of Comprehensive Income and an equivalent amount is transferred from the special funds component of equity to retained earnings under the separate heading of "Equity from Donated Assets". The balance of that account does not attract a capital charge under new rules adopted in 2006 by the Ministry of Health.

5. 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.

6. Inventories
Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost and current replacement cost.
The cost of purchased inventory held for distribution is determined using the weighted average cost formula.
Any write down from cost to current replacement cost, or reversal of such a write down, is recognised in the Statement of Comprehensive Income.

7. 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 SCDHB's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

8. 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. 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.

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 SCDHB. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

When an asset is acquired for 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 Comprehensive Income.

Fixed assets vested from the Hospital and Health Service
Under section 95(3) of the New Zealand Public Health and Disability Act 2000, the assets of Health South Canterbury Limited (a Hospital and Health Service) vested in South Canterbury DHB on 1 January 2001. Accordingly, assets were transferred to South Canterbury DHB at their net book values as recorded in the books of the Hospital and Health Service. In effecting this transfer, the Board has recognised the cost 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.

9. Revaluation of Land and Buildings

Land and Buildings are revalued with sufficient regularity, and at least every five years, to ensure that the carrying amount at balance date is not materially different to fair value. If there is evidence supporting a material difference, then the asset class will be revalued. Revaluation movements are accounted for on a class-of-asset basis. The results of any revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions to land and buildings between valuations are recorded at cost.

10. Disposal of Fixed Assets

When a fixed asset is disposed of, any gains and losses are reported net in the Statement of Comprehensive Income and are calculated as the difference between the sale price and the carrying value of the fixed asset.

11. Depreciation of Fixed Assets

Depreciation is provided on a straight line basis on all fixed assets, other than freehold land, at rates which will write-off the cost (or revaluation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	33 to 65 years	1.5 – 3.0%
Building Fit-outs	3.5 to 20 years	5 – 28.6%
Plant and Equipment	2 to 10 years	10 – 50%
Motor Vehicles	3 to 5 years	20 – 33.3%

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

12. Leases

Finance Leases

Leases which effectively transfer to SCDHB substantially all the risks and benefits incident to ownership of the leased items are classified as finance leases. These are capitalised at the lower of the fair value of the asset and the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period SCDHB is expected to benefit from their use.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses in the periods in which they are incurred.

13. Intangible Assets

Software

Computer software that is acquired by SCDHB is stated at cost less accumulated amortisation and impairment losses. 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 Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows:

Software	2 to 5 years	20-50%

14. Impairment

The carrying amounts of SCDHB's assets 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.

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 Comprehensive Income.

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.

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.

A provision for impairment of receivables is established when there is objective evidence that SCDHB will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method. 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.

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount. An impairment loss 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 Comprehensive Income.
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.

15. Investments in Equity Securities
SCDHB's investments in equity securities are classified as available-for-sale financial assets and are stated at fair value, with any resultant gain or loss, expect for impairment losses, recognised directly in equity. When these assets are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Statement of Comprehensive Income.

16. Employee Benefits
Long Service Leave, Sick Leave, Sabbatical Leave, Medical Education Leave and Retirement Gratuities
SCDHB's net obligation in respect of long service leave, sick 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 entitlement is calculated by discounting the obligation to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the balance sheet date. Note 15 provides an analysis of the expenditure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities
Annual Leave
Annual leave is a short-term obligation and is calculated on an actual basis at the amount SCDHB expects to pay. SCDHB accrues the obligation for paid absences when the obligation both relates to employees' past services and it accumulates.
Superannuation Schemes
Defined contribution schemes
Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income as incurred.
Defined benefit schemes
SCDHB belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.
Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

17. 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.
Goods Sold and Services Rendered
Revenue from goods sold is recognised when SCDHB has transferred to the buyer the significant risks and rewards of ownership of the goods and SCDHB 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 SCDHB and that payment can be measured or estimated reliably, and to the extent that any obligations and all conditions have been satisfied by SCDHB.
Revenue relating to Service Contracts
SCDHB is required to expend all monies appropriated within certain contracts during the year in which it is appropriated. Should this not be done, the contract may require repayment of the money or SCDHB, 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.
Interest Revenue
Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principle outstanding to determine the interest income each period.

Donated or Subsidised Assets
Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue in the Statement of Comprehensive Income.

18. Interest Expenditure
Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine the interest expense each period.

19. Cost Allocation
SCDHB has arrived at the net cost of service for each significant activity using the following cost allocation system. Direct costs are charged directly to output classes. Indirect costs are charged to output classes based on cost drivers and related activity/usage information. 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.

20. 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 Comprehensive Income over the period of the borrowings on an effective interest basis.

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

22. Other Liabilities and Provisions
Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

23. Financial Instruments
Financial Assets
Financial assets held for trading and financial assets designated at fair value through profit and loss are recorded at fair value with any realised and unrealised gains or losses recognised in the Statement of Comprehensive Income. A financial asset is designated at fair value through profit and loss if acquired principally for the purpose of selling in the short term. It may also be designated into this category if the accounting treatment results in more relevant information because it either significantly reduces an accounting mismatch with related liabilities or is part of a group of financial assets that is managed and evaluated to fair value basis. Gains or losses from interest, foreign exchange and fair value movements are separately reported in the Statement of Comprehensive Income.

Available-for-sale financial assets are stated at fair value, with any resultant gain or loss, expected for impairment losses, recognised directly in equity. When these assets are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Statement of Comprehensive Income.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Loans and receivables issued with duration less than 12 months are recognised at their nominal value, unless the effect of discounting is material. Allowances for estimated recoverable amounts are recognised when there is objective evidence that the asset is impaired. Interest, impairment losses and foreign exchange gains and losses are recognised in the Statement of Comprehensive Income.

24. Standards issued but not yet effective
Certain new standards, amendments and interpretations to existing standards have been published that are not yet effective for the year ended 30 June 2011, and have not been applied in preparing these financial statements. The adoption of these standards is not expected to have a material effect on the DHB's financial statements.

25. Changes in Accounting Policies
In 2011, SCDHB changed its accounting policy for the treatment of its subsidiary, HSC Charitable Trust. Previously SCDHB prepared consolidated financial statements that included the subsidiary. Consolidated financial statements for the group have not been prepared due to the small size of the subsidiary, which means that the parent and the group amounts are not materially different. Therefore the figures for 2010 and 2011 should be read as for the parent and group. Information relating to the subsidiary of the DHB is separately disclosed in the notes to the financial statements.

There have been no other changes in accounting policies during the financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

IN THOUSANDS OF NEW ZEALAND DOLLARS

	Note	Parent and Group		
		Budget 2011	Actual 2011	Actual 2010
Revenue	*1*	167,726	167,859	162,840
Other Operating Income	*2*	1,879	2,356	2,365
Finance Income	*4a*	940	1,248	980
Total Income		170,545	171,463	166,185
Employee Benefit Costs	*3*	51,831	52,142	48,351
Outsourced personnel and other services		10,017	9,548	10,588
Clinical supplies		8,549	9,431	8,958
Infrastructure and non-clinical expenses		9,843	9,716	9,636
Payments to non-DHB health providers		62,801	60,975	59,995
IDF Outflows		21,288	21,825	22,045
Depreciation and amortisation expense	*7&8*	3,253	3,232	2,796
Finance costs	*4b*	523	353	320
Capital charge	*5*	1,731	1,929	1,961
Other operating expenses	*6*	909	1,258	1,067
Total Expenses		170,745	170,409	165,717
NET SURPLUS (DEFICIT)		(200)	1,054	468
Other Comprehensive Income				
Gains on property revaluations		-	981	-
Fair value through other comprehensive income financial assets		-	-	-
Total Other Comprehensive Income		0	981	0
TOTAL COMPREHENSIVE INCOME		(200)	2,035	468

The notes form an integral part of and should be read in conjunction with these financial statements

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011
IN THOUSANDS OF NEW ZEALAND DOLLARS

		Parent and Group		
		Budget 2011	Actual 2011	Actual 2010
Balance at 1 July		22,192	23,254	22,991
Comprehensive income/(expense)				
Net Surplus/(Deficit) for the period	*9*	(200)	1,054	468
Other Comprehensive Income	*9*		981	-
Total Comprehensive Income		(200)	2,035	468
Capital Movements				
Repayment to Crown	*9*	(205)	(217)	(216)
Contribution from Crown	*9*	-	446	11
Mental Health Ringfence	*9*	-	(7)	-
Movement in Special Funds	*9*	-	-	-
Total of Capital Movements		(205)	222	(205)
Balance at 30 June		21,787	25,511	23,254

The notes form an integral part of and should be read in conjunction with these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

IN THOUSANDS OF NEW ZEALAND DOLLARS

	Note	Parent and Group Budget 2011	Actual 2011	Actual 2010
Public Equity				
General Funds	*9*	4,686	5,120	4,891
Retained Earnings	*9*	7,224	9,563	8,484
Equity from Donated Assets	*9*	785	1,031	747
Revaluation Reserve	*9*	8,265	9,246	8,265
		20,960	24,960	22,387
Special Funds	*9*	827	551	867
Total Equity		21,787	25,511	23,254
REPRESENTED BY:				
Current Assets				
Cash and cash equivalents	*10*	6,400	16,511	8,694
Financial Assets	*11*	10,000	10,000	15,000
Debtors and other receivables	*12*	9,330	5,483	5,070
Inventories	*13*	1,150	872	1,135
Patient Trust Funds	*10*	16	18	16
Special Fund Assets	*9*	-	551	868
Total Current Assets		26,896	33,435	30,783
Non Current Assets				
Financial Assets	*11*	3	3	3
Property, plant and equipment	*7*	28,656	29,475	28,363
Intangible assets	*8*	793	163	271
Total Non Current Assets		29,452	29,641	28,637
TOTAL ASSETS		56,348	63,076	59,420
LIABILITIES				
Current Liabilities				
Creditors and other payables	*14*	11,683	12,933	13,473
Employee entitlements	*15*	7,395	8,977	7,825
Borrowings	*16*	10,000	10,000	10,000
Patient Trust Funds	*10*	16	18	16
Total Current Liabilities		29,094	31,928	31,314
Non Current Liabilities				
Term Loans	*16*	-	-	-
Employee Entitlements	*15*	5,467	5,637	4,852
Total Non Current Liabilities		5,467	5,637	4,852
TOTAL LIABILITIES		34,561	37,565	36,166
NET ASSETS		21,787	25,511	23,254

The notes form an integral part of and should be read in conjunction with these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2011
IN THOUSANDS OF NEW ZEALAND DOLLARS

	Note	Parent and Group Budget 2011	Actual 2011	Actual 2010
CASH FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from Ministry of Health & Other		169,448	169,875	167,262
Interest Received		943	1,248	980
		170,391	171,123	168,242
Cash was applied to:				
Payments to suppliers & employees		167,315	163,332	157,769
Capital Charge		1,750	1,929	1,961
Interest Paid		-	353	320
GST (net)		-	21	(174)
		169,065	165,635	159,876
Net cash inflow/(outflow) from operating activities	17	1,326	5,488	8,366
CASH FROM INVESTING ACTIVITIES				
Cash was provided from:				
Proceeds from the sale of assets		-	44	-
Term deposits over 3 months		-	5,000	-
Decrease in Special Funds		-	308	-
		-	5,352	-
Cash was applied to:				
Purchase of fixed assets		5,099	3,252	2,894
Term Deposits over 3 months		-	-	5,000
Increase in Special Funds		-	-	41
		5,099	3,252	7,935
Net cash inflow/(outflow) from investing activities		(5,099)	2,100	(7,935)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
New Borrowings - CHFA		-	-	-
Proceeds from Equity injections		-	446	11
		-	446	11
Cash was applied to:				
Repayment of loans		-	-	-
Repayment of Equity		205	217	216
		205	217	216
Net cash inflow/(outflow) from financing activities		(205)	229	(205)
Net increase/(decrease) in cash held		(3,978)	7,817	226
Opening Cash and cash equivalents		10,378	8,694	8,468
Closing cash and cash equivalents	10	6,400	16,511	8,694
Made up of:				
Balances at bank		6,400	16,511	8,694

The GST (net) component of operating activities reflects net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statements purposes.

The notes form an integral part of and should be read in conjunction with these financial statements

STATEMENT OF COMMITMENTS
AS AT 30 JUNE 2011
IN THOUSANDS OF NEW ZEALAND DOLLARS

	Parent and Group Actual 2011	Actual 2010
Capital Commitments	-	-
Non-Cancellable Operating Lease Commitments:		
Less than one year	647	378
One to two years	488	325
Two to five years	537	667
Over five years	491	960
	2,163	2,330
Other Non-Cancellable Contracts: SCDHB has entered into non-cancellable contracts for the provision of goods and services.		
Details of the commitments under these contracts are as follows:		
Not later than one year	11,522	8,897
Later than one year and not later than two years	7,301	3,427
Later than two years and not later than five years	13,246	1,028
Over five years	-	-
	32,069	13,352
Total Commitments The DHB has entered into a number of service agreements with health providers for the provision of health services to the community. These agreements include fixed amount as well as demand-driven contracts.	34,232	15,682

STATEMENT OF CONTINGENCIES
AS AT 30 JUNE 2011

Contingent liabilities
South Canterbury DHB is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors' Scheme (the scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, the DHB could be responsible for the entire deficit of the scheme. Similarly if a number of employers ceased to participate in the scheme, SCDHB could be responsible for an increased share of the deficit.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation. As at 31 March, 2010, the Scheme had a past service surplus of $43.6 million being 18.2% of the liabilities (2009: $15.3 million being 5.7% of the liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.
There were no other contingent liabilities as at 30 June 2011. At 30 June 2010 SCDHB had outstanding legal proceedings.

Contingent assets
There were no contingent assets as at 30 June, 2011 (2010: Nil)

The notes form an integral part of and should be read in conjunction with these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 IN THOUSANDS OF NEW ZEALAND DOLLARS EXCEPT WHERE OTHERWISE INDICATED

	Parent and Group Actual 2011	Actual 2010
1. Revenue		
Health & Disability Services (MoH contracted Revenue)	158,827	155,164
ACC Contracted Revenue	1,730	1,787
Inter District Patient Inflows	5,671	4,266
Other Health Revenue	1,631	1,623
	167,859	162,840
2. Other Operating Income		
Gain on sale of property, plant and equipment	(44)	(22)
Donations and bequests received	11	122
Rental Income	132	114
Other Non-health Revenue	2,257	2,151
	2,356	2,365
3. Employee benefit costs		
Wages and salaries	49,345	47,119
Contributions to defined contribution plans	860	734
Increase /(decrease) in employee benefit provisions	1,937	498
	52,142	48,351
Employer contributions to defined contribution plans include contributions to Kiwisaver, State Sector Retirement Savings Scheme and the DPB Contributors Scheme		
4a. Finance income		
Interest Income	1,248	980
	1,248	980
4b. Finance costs		
Interest Expense	353	320
	353	320
5. Capital charge		
South Canterbury DHB pays a monthly capital charge to the Crown based on the greater of its actual or planned closing equity balance for the month. An annual washup adjustment is done after 30 June each year. The capital charge rate for the year ended 30 June 2011 was 8% (2010: 8%).		
6. Other operating expenses		
Fees to Auditor:		
Audit fees for financial statement audit	94	91
Board Members' fees and expenses	264	220
Impairment of receivables (bad & doubtful debts)	13	83
Adjustments to Inventory	199	72
Operating Lease Expense	688	601
	1,258	1,067

Operating Leases. The DHB leases a number of residential buildings and equipment (including office and clinical equipment). The leases terms vary, typically from one to 5 years. None of the leases include contingent rentals.

7. Property, plant and equipment

Parent and Group

	Land	Buildings	Plant/ Equipment	Motor Vehicles	Work in Progress	Total
Cost or Valuation						
Balance at 1 July 2009	2,572	25,997	19,618	1,465	64	49,716
Additions	-	275	2,142	58	144	2,619
Revaluations	-	-	-	-	-	-
Disposals	-	-	(113)	-	-	(113)
Balance at 30 June 2010	2,572	26,272	21,647	1,523	208	52,222
Balance at 1 July 2010	2,572	26,272	21,647	1,523	208	52,222
Additions	75	784	2,094	48	194	3,195
Revaluations	(184)	(5,396)	-	-	-	(5,580)
Disposals	-	-	(1,018)	(41)	-	(1,059)
Balance at 30 June 2011	2,463	21,660	22,723	1,530	402	48,778
Accumulated depreciation and impairment losses						
Balance at 1 July 2009	-	3,917	16,277	1,045	-	21,239
Depreciation expense	-	1,342	1,160	209	-	2,711
Impairment losses	-	-	-	-	-	-
Disposals	-	-	(91)	-	-	(91)
Revaluations	-		-	-	-	-
Balance at 30 June 2010	0	5,259	17,346	1,254	0	23,859
Balance at 1 July 2010	-	5,259	17,346	1,254	-	23,859
Depreciation expense	-	1,393	1,540	137	-	3,070
Impairment losses	-	-	-	-	-	-
Disposals	-	-	(945)	(29)	-	(974)
Revaluations	-	(6,652)	-	-	-	(6,652)
Balance at 30 June 2011	0	(0)	17,941	1,362	0	19,303
Carrying amounts						
At 1 July 2009	2,572	22,080	3,341	420	64	28,477
At 30 June and 1 July 2010	2,572	21,013	4,301	269	208	28,363
At 30 June 2011	2,463	21,660	4,782	168	402	29,475

Impairment
Impairment testing carried out has not revealed any assets requiring write-down due to impairment losses.

Revaluation
Land and Buildings have been valued to fair value as at 30 June 2011 by an independent registered valuer, John Dunckley, of Darroch Ltd a Fellow of the Property Institute and Institute of Valuers of New Zealand. The total fair value of land and buildings valued by the valuer amounted to $24,122,652 as at 30 June 2011.

Land
Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the ""unencumbered"" land value for land where there is a designation against the land or the use of the land is restricted. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.
Restrictions on the DHB's ability to sell land would normally not impair the value of the land because it has operational use of the land for the foreseeable future and will receive substantially the full benefits of outright ownership.

Buildings
Specialised hospital buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Depreciated replacement cost is determined using a number of significant assumptions. Significant assumumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence and relevant surplus capacity.
- The replacement cost is derived from imformation relating to replacement construction costs particularly the costs included in the Treasury guidelines.
- The remaining useful life of assets is estimated.
- Straight line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence.

Restrictions
South Canterbury District Health Board does not have full title to Crown land it occupies, but transfer is arranged if and when land is sold. Some of the Board's land is subject to Waitangi Tribunal claims. The disposal of certain properties may be subject to the provisions of section 40 of the Public Works Act 1981. Titles to land transferred from the Crown to SCDHB are subject to a memorial in terms of the Treaty of Waitangi Act 1975 (as amended by the Treaty of Waitangi (State Enterprises) Act 1988). The effect on the value of assets resulting from potential claims under the Treaty of Waitangi Act 1975 cannot be quantified.

8. Intangible Assets

	Parent and Group		
	Software	Other	Total
Cost			
Balance at 1 July 2009	542	-	542
Additions	296	-	296
Disposals	-	-	-
Balance at 30 June 2010	838	0	838
Balance at 1 July 2010	838	-	838
Additions	54	-	54
Disposals	-	-	-
Balance at 30 June 2011	892	0	892
Accumulated amortisation and impairment losses			
Balance at 1 July 2009	482	-	482
Amortisation expense	85	-	85
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 30 June 2010	567	0	567
Balance at 1 July 2010	567	-	567
Amortisation expense	162	-	162
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 30 June 2011	729	0	729
Carrying amounts			
At 1 July 2009	60	0	60
At 30 June and 1 July 2010	271	0	271
At 30 June 2011	163	0	163

There are no restrictions over the title of SCDHB's intangible assets, nor are any intangible assets pledged as security for liabilities. All software has been purchased.

9. Public Equity

Parent and Group

	General Funds	Retained Earnings	Equity from Donated Assets	Revaluation Reserve Land	Revaluation Reserve Buildings	Special Funds	Total Equity
Balance at 1 July 2009	5,096	8,019	785	2,269	5,996	826	22,991
Surplus/(deficit)	-	468	-	-	-	-	468
Transfer from/(to) retained earnings	-	(3)	(38)	-	-	41	-
Revaluation of land and buildings	-	-	-	-	-	-	-
Contribution from the Crown	11	-	-	-	-	-	11
Repayment to the Crown	(216)	-	-	-	-	-	(216)
Balance at 30 June 2010	4,891	8,484	747	2,269	5,996	867	23,254
Balance at 1 July 2010	4,891	8,484	747	2,269	5,996	867	23,254
Surplus/(deficit)	-	1,054	-	-	-	-	1,054
Transfer from/(to) retained earnings	-	32	284	-	-	(316)	-
Mental Health Ringfence	-	(7)	-	-	-	-	(7)
Revaluation of land and buildings	-	-	-	(184)	1,165	-	981
Contribution from the Crown	446	-	-	-	-	-	446
Repayment of equity	(217)	-	-	-	-	-	(217)
Balance at 30 June 2011	5,120	9,563	1,031	2,085	7,161	551	25,511

The unspent mental health ring-fence portion of retained earnings increased to $0.523 million (30 June 2010: $0.198 million)

Special funds

Special funds are funds donated or bequeathed for a specific purpose. The use of these assets must comply with the specific terms of the sources from which the funds were derived. The revenue and expenditure in respect of these funds is included in the Statement of Comprehensive Income. The transfers to and from Retained Earnings reflects these transactions. All special funds are held in a bank account that is separate from SCDHB's normal banking facilities.

	Parent Actual 2011	Actual 2010
Opening Balance	867	826
Transfer from Retained Earnings in respect of:		
Funds Received		
- Interest Received	26	15
- Donations and Other	5	29
Transfer to Retained Earnings in respect of:		
- Funds spent	(347)	(3)
Closing Balance 30 June	551	867

10. Cash and Cash Equivalents

	Parent/Group Actual 2011	Parent/Group Actual 2010
Cash on hand and at bank	4,511	3,694
Cash equivalents - term deposits	12,000	5,000
Total cash and cash equivalents	16,511	8,694

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.
The weighted average effective interest rate for term deposits is 3.47% (2010: 3.14%).
SCDHB administers certain funds on behalf of patients. These funds are held in a separate bank account and total $18,000 (2010: $16,000). They are also recognised as current liabilities in the Statement of Financial Position.

11. Investments

	Parent/Group Actual 2011	Parent/Group Actual 2010
Current investments are represented by:		
Term deposits	10,000	15,000
Total current portion	10,000	15,000
Non-current investments are represented by:		
Equity investment - SISSAL Share Capital	3	3
Total non-current portion	3	3
Total Investments	10,003	15,003

There were no impairment provisions for investments.
The equity investment in SISSAL is classified as an available-for-sale financial asset and is stated at its fair value, with any resultant gain or loss, expect for impairment losses, recognised directly in equity. When these assets are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Statement of Comprehensive Income.

Maturity analysis and effective interest rates of term deposits
Two term deposits have been taken for a term longer than 3 months. The deposits mature on 9 June 2012 and have an effective average interest rate of 4.85%.
The carrying amounts of term deposits with maturities less than 12 months approximate their fair value.
Short-term deposits are invested at fixed rates ranging from 3.00% to 4.70%. As these deposits are at a fixed interest rate and measured at cost, an increase or decrease in interest rates during the period would not impact the measurement of the investments and hence there would be no impact on the surplus/deficit or equity.

12. Debtors and other receivables

	Parent/Group Actual 2011	Parent/Group Actual 2010
Trade Debtors	738	1,787
Less: Provision for impairment	(2)	(79)
	736	1,708
Accrued Income	4,747	3,362
Prepayments		
Total receivables & prepayments	5,483	5,070

The carrying value of receivables approximates their fair value. Trade debtors have been evaluated for impairment and, where impairment has been identified, provision has been made as shown above.

	Parent/Group Actual 2011	Actual 2010
13. Inventories		
Pharmaceuticals	330	357
Theatre supplies	425	510
Central stores	43	196
Other supplies	74	72
Total inventories	872	1,135

The write-down of inventories held for distribution amounted to $199,000 (2010: $72,000). There have been no reversals of write-downs. No inventories are pledged as security for liabilities but some inventories are subject to retention of title clauses (Romalpa clauses).

	Actual 2011	Actual 2010
14. Creditors and other payables		
Trade creditors	1,813	3,172
Capital Charge due	423	224
Income in advance	395	238
Accrued expenses	10,302	9,839
Total Payables and Accruals	12,933	13,473

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

	Actual 2011	Actual 2010
15. Employee entitlements		
Current employee entitlements are represented by:		
Accrued salaries and wages	2,512	2,057
Annual leave	4,963	4,704
Maternity leave	75	60
Sick leave	83	86
Retirement gratuities	669	416
Senior doctor conference leave	123	90
Senior doctor sabbatical leave	33	15
Long service leave	250	206
Senior doctor study costs	269	191
Total current portion	8,977	7,825
Non-current employee entitlements are represented by:		
Sick leave	261	247
Retirement gratuities	3,238	2,916
Senior doctor conference leave	246	179
Senior doctor sabbatical leave	467	327
Long service leave	888	718
Senior doctor study costs	537	465
Total non-current portion	5,637	4,852
Total employee entitlements	14,614	12,677

Employee entitlements for retirement gratuities, senior doctor conference leave, senior doctor sabbatical leave, long service leave, sick leave and senior doctor study costs were actuarially revalued as at 30 June 2011 by Aon Consulting Services NZ Ltd. The most important key assumptions used in calculating this liability include the discount rates, the salary escalation rate, resignation rates and (for sabbatical leave) the take-up rate. Any changes to these assumptions will affect the carrying amount of the liability.

16. Borrowings

	Parent/Group Actual 2011	Parent/Group Actual 2010
Current borrowings are represented by:		
Secured loan - Crown Health Financing Agency (CHFA)	10,000	10,000
Total current portion	10,000	10,000
Non Current Portion	-	-
Interest rates:		
Crown Health Financing Agency	3.00%	3.57%
Repayable as follows:		
Not later than one year	10,000	10,000
Later than one, not later than two years	-	-
Later than two, not later than five years	-	-
Beyond five years	-	-
	10,000	10,000

Under a negative pledge agreement, without the CHFA's prior written consent, SCDHB cannot perform the following actions:

a. Security Interest: Create any security interest over its assets except in certain defined circumstances or

b. Loans and Guarantees: Lend money to another person (except in the ordinary course of business and then only on commercial terms), or give a guarantee, or

c. Change of Business: Make a substantial change in the nature or scope of its business as presently conducted, or

d. Disposals: Dispose of any of its assets except disposals made in the course of its ordinary business or disposals for full year value.

Borrowing facilities:

SCDHB has an overdraft facility with ANZ Bank for $1million (2010: $1million). Additionally, undrawn facilities with CHFA total $2.788million (2010: $2.788million).

17. Reconciliation of Net Surplus/(Deficit) to Net Cash From Operating Activities

	Parent/Group Actual 2011	Parent/Group Actual 2010
Net surplus/(deficit) after taxation	1,054	468
Add/(less) non-cash items:		
Depreciation and amortisation expense	3,230	2,796
Total non cash items	3,230	2,796
Add/(less) item classified as investment activity:		
Increase (decrease)in investments	-	-
Total investing activity items	-	-
Add/(less) movements in working capital items:		
(Increase)/decrease in receivables and prepayments	(413)	2,702
(Increase)/decrease in inventories	262	(68)
Increase/(decrease) in payables and accruals	614	2,259
Increase/(decrease) in employee entitlements	785	209
Net working capital movement	1,248	5,102
Add/(less) movements in other items:		
Gain(Loss) on sale of fixed assets	(44)	-
	(44)	-
Net cash (outflow)/inflow from operating activities	5,488	8,366

18. HSC Charitable Trust

SCDHB's predecessor was settlor of HSC Charitable Trust (the "Trust") and the Board has the right to appoint one of four trustees. The Trust is therefore deemed to be controlled by SCDHB in accordance with NZ IAS 27 "Consolidated and Financial Statements". The purposes of the Trust are:

- To purchase and maintain facilities and equipment for use in the Timaru and Talbot Hospitals.
- To actively foster, promote, encourage and develop the continuing education of health professionals working at or from Timaru or Talbot Hospitals in whatever area and in whichever manner the trustees may time to time decide.
- To fund, foster, promote and encourage medical research and clinical quality assurance by health professionals at Timaru and Talbot Hospitals.

The Trust has not been consolidated. For the year ended 30 June 2011, the Trust had total revenue of $21,434 (2010 $49,298) and a net surplus of $2,162 (2010 net deficit $95,828). The Trust had assets of $226,306 (2010 $336,140) and liabilities of $2,407 (2010 $94,903) as at 30 June 2011.

19. Related party transactions and key management personnel

South Canterbury District Health Board is a wholly owned entity of the Crown. The Government significantly influences the role of the Board as well as being its major source of revenue.

South Canterbury District Health Board enters into transactions with Government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms no more or less favourable than those which it is reasonable to expect South Canterbury District Health Board would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

The following transactions were carried out with related parties other than those outlined above:

Shared Support Services

South Island Shared Services Agency Limited has been set up by all South Island DHBs to provide shared support services to funder operations. South Canterbury District Health Board paid South Island Shared Services Agency Limited $234,000 for support with Funder operations during the period (2010 $255,000). The balance outstanding at year end was $60,000 (2010 $123,000).

HSC Charitable Trust

During the year ended 30 June 2011 the DHB invoiced the Trust a total of $4,800 (2010 $29,200) for costs associated with staff and other costs and $99,500 (2010 $93,200) for donated assets.

Key management personnel

Key management personnel include all Board members, the Chief executive, and the other ten members of the management team. There have been no transactions between the members or senior management with the Board in any capacity other than that in which they are employed except as follows:

- Murray Cleverley is a director of DHBNZ which provided annual plan and project management services to SCDHB to the value of $57,000 during the year. There was no outstanding balance for unpaid invoices at the year end.
- Nicola Hornsey is a board member of Presbyterian Support. Presbyterian Support South Canterbury Inc provide aged care, home support, meals on wheels and other services to the SCDHB to the value of $6.30 million (2010 $5.72million). There was an accrual at year end for services delivered of $260,000.
- Richie Smith is a director of Klondyke Fresh Limited which supplied milk to SCDHB to the value of $42,000 during the year (2010 $45,000). There was a balance of $2,000 outstanding for unpaid invoices at year end.
- Warwick Isaacs is the CEO of Timaru District Council. During the year SCDHB paid Timaru District Council for rates and other municipal services to the value of $127,000 (2010 $162,000). There was no outstanding balance for unpaid invoices at the year end.
- Rene Crawford was employed by SCDHB as a casual staff physiotherapist on terms and conditions that were no more favourable than the DHB would have adopted if she was not a member of the Board.
- The wife of Paul Annear, a Board member, is the incumbent Mayor of Timaru District.

There are close family members of key management personnel employed by SCDHB. The terms and conditions of those arrangements are no more favourable than the DHB would have adopted if there were no relationship to key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables from related parties (2010 nil).

Key Management Personnel Compensation

	Actual 2011	Actual 2010
Salaries and other short-term employee benefits	1,734	1,397
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	1,734	1,397

20. Board Member Remuneration and Committee Member Payments

BOARD MEMBERS PAYMENTS & ATTENDANCE

Member	Fees Paid	Attendance[1]
Neil Anderson	$6,881	4
Paul Annear	$9,118	7
Peter Binns	$16,000	11
Murray Cleverley (chair)	$32,000	10
Rene Crawford	$9,118	7
Jan Gilbert	$6,881	3
Nicola Hornsey	$16,000	11
Warwick Isaacs	$16,000	6
Terry Kennedy	$16,000	11
Ron Luxton (deputy chair)	$20,000	10
Peter Lyman	$9,118	6
Richie Smith	$16,000	8
Ngaire Whytock	$14,667	9
TOTAL	**$187,783**	

[1] The board met 11 times in 2010/11. The Board election was held in October, 2010. Following the election Neil Anderson and Jan Gilbert left the board. New to the board were Paul Annear, Rene Crawford, and Peter Lyman.

COMMITTEE MEMBER PAYMENTS

Member	Fees Paid
Christine Akurangi	$750
Neil Anderson	$1,875
Paul Annear	$2,849
Peter Bell	$958
Peter Binns	$3,953
Murray Cleverley	$7,623
Michael Cotton	$416
Rene Crawford	$3,099
Peter Dalziel	$833
Raeleen De Joux	$916
Suzanne Eddington	$2,083
Jan Gilbert	$1,000
Tony Gilchrist	$416
Francese Home	$250
Nicola Hornsey	$3,705
Warwick Isaacs	$3,705
Terry Kennedy	$4,161
Trevor Linyard	$500
Ron Luxton	$4,080
Peter Lyman	$3,205
Christine Miller	$1,500
Graeme Nind	$500
Sharyn Nolan	$250
Diane Nutsford	$416
Fiona Pimm	$340
David Sibley	$833
Richie Smith	$1,424
Rene Templeton	$500
Koriana Waller	$1,333
Ngaire Whytock	$2,655
John Wilson	$666
Kathleen Wright	$1,083
TOTAL	**$57,877**

Member Liability Insurance
SCDHB has effected Directors and Officers Liability, General Liability, Employers Liability and Professional Indemnity insurance cover during the financial year, in respect of the liability or costs of board members and employees.

Termination Payments
During the year ended 30 June 2011, one employee (2010:8) received compensation and other benefits in relation to the cessation of their employment. The amount was $17,105. No board members received compensation or other benefits in relation to cessation of employment (2010: nil).

21. Employee Remuneration

EMPLOYEE REMUNERATION

Range	Actual 2010*	Actual 2011
$460,001 - $470,000	1	
$450,001 - $460,000		
$440,001 - $450,000		
$430,001 - $440,000		
$420,001 - $430,000		
$410,001 - $420,000	1	
$400,001 - $410,000	1	
$390,001 - $400,000		
$380,001 - $390,000		
$370,001 - $380,000		
$360,001 - $370,000		
$350,001 - $360,000		
$340,001 - $350,000		
$330,001 - $340,000	1	
$320,001 - $330,000	2	
$310,001 - $320,000	2	4
$300,001 - $310,000		3
$290,001 - $300,000	2	2
$280,001 - $290,000	1	
$270,001 - $280,000	3	3
$260,001 - $270,000	1	3
$250,001 - $260,000		4
$240,001 - $250,000	2	3
$230,001 - $240,000	1	3
$220,001 - $230,000	3	1
$210,001 - $220,000	3	4
$200,001 - $210,000	1	
$190,001 - $200,000	1	
$180,001 - $190,000	1	3
$170,001 - $180,000	1	2
$160,001 - $170,000	2	1
$150,001 - $160,000		2
$140,001 - $150,000		2
$130,001 - $140,000	4	3
$120,001 - $130,000	3	5
$110,001 - $120,000	9	2
$100,001 - $110,000	8	12
TOTAL	**54**	**62**
Clinical staff	39	49
Management & Other Staff	15	13

* Employee remuneration figures for 2010 were impacted by some senior doctor job sizing during the year. Based on commitments given in 2007, backpay of up to two years was paid to those where job sizing was completed. This resulted in a number of people earning in excess of $310,000 in 2010. The current Chief Executive's salary is in the $300,001 to $310,000 range.

The 100k salary band is prepared on a payment basis rather than an accrual basis.

22. Financial Instrument Risks

South Canterbury District Health Board is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable, trade creditors and loans.

The Board has a series of policies providing risk management for interest rates, operating and capital expenditures denominated in a foreign currency, and the concentration of credit. The Board is risk averse and seeks to minimise exposure from its treasury activites. Its policies do not allow any transactions which are speculative in nature to be entered into.

Market risk
The interest rates on SCDHB's cash and investments are disclosed in notes 10 and 11. Interest rates on borrowings are disclosed in note 16.

Fair value interest rate risk
Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. SCDHB's exposure to fair value interest rate risk is limited to its bank deposits and borrowings which are held at fixed rates of interest.

Cash flow interest rate risk
Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of a change in market interest rates. Investments and borrowings issued at variable interest rates expose SCDHB to cash flow interest rate risk.
SCDHB's treasury policy requires a spread of investment and borrowing maturity dates and a limit on variable rate percentages of total investments or borrowings. SCDHB currently has no variable interest rate investments or borrowings. SCDHB's treasury policy is conservative and as such tends not to adopt a view as to interest rate outlook. Interest rate derivates are thus not used to manage interest rate risk.

Sensitivity analysis
As at 30 June 2011, if the 90 day bank bill rate had been 50 basis points higher or lower, with all other variables held constant, the surplus for the year would have been $75,000 (2010 $43,000) higher or lower. This movement is attributable to increased or decreased interest revenue on short term bank deposits. Borrowings and longer term deposits are at fixed rates. The sensitivity is higher in 2011 than 2010 because of increased cash available for short term investment.

Foreign currency risk:
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. SCDHB's Treasury policy allows for exchange hedging. However, there were no foreign currency forward exchange contracts (or option agreements) in place as at 30 June 2011 (30 June 2010 Nil), nor were any hedged transactions undertaken during the course of the last two financial years.

Credit Risk:
Credit risk is the risk that a third party will default on its obligation to the board, causing the board to incur a loss. Financial instruments which potentially subject the Board to concentrations of risk consist principally of cash and short term investments, and trade receivables. The maximum exposure to credit risk exposure for each class of financial instrument is as follows:

	Parent/Group	
	Actual 2011	Actual 2010
Cash at bank and term deposits	27,080	24,577
Debtors and Other Receivables	5,483	5,070
	32,563	29,647

The Board invests in high quality financial institutions, local and government stock and limits the amount of credit exposure to any one financial institution. Accordingly, the Board does not require any collateral or security to support financial instruments with organisations it deals with.
Concentration of credit risk with respect to accounts receivable are high due to the reliance on the Ministry of Health for 95% (2010: 95%) of South Canterbury District Health Board's revenue. However the Ministry of Health is a high credit quality entity, being the Government-funded purchaser of health and disability support services.

Credit Quality of Financial Assets:
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Parent/Group Actual 2011	Actual 2010
Counterpaties with Credit Ratings		
Cash at bank and term deposits		
AA rating	27,080	24,577
Total cash at bank and term deposits	27,080	24,577

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

	Gross Receivables 2011	Impairment	Gross Receivables 2010	Impairment
Trade receivables				
Not past due	660	-	1,065	-
Past due 0-30 days	60	-	495	-
Past due 31-120 days	18	2	132	79
Past due 121-365 days	-	-	-	-
Past due more than 1 year	-	-	-	-
Total	738	2	1,692	79

All impairments stated above have been calculated on individual accounts. No collective impairments have been included.

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

	Parent and Group Carrying Amount	Contractual Cashflow	Less than one year	More than one year
Contractual maturity analysis of financial liabilities				
2011				
Creditors and other payables	12,933	12,933	12,933	-
Borrowings - CHFA	10,000	10,000	10,000	-
Total	22,933	22,933	22,933	0
2010				
Creditors and other payables	13,473	13,473	13,473	-
Borrowings - CHFA	10,000	10,000	10,000	-
Total	23,473	23,473	23,473	0

Classification and fair values

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

		Parent and Group			
		Amortised Cost	Available for sale	Carrying amount actual	Fair Value actual
2011	*Note*				
Financial Assets					
Cash and cash equivalents	*10*	16,511	-	16,511	16,511
Term Deposits >3 <12 months	*11*	10,000	-	10,000	10,000
Trade and other receivables	*12*	5,483	-	5,483	5,483
Special Funds	*9*	551	-	551	551
Patient Trust Funds	*10*	18	-	18	18
Equity investments	*11*	-	3	3	3
		32,563	3	32,566	32,566
Financial Liabilities					
Trade and other payables	*14*	12,933	-	12,933	12,933
Patient Trust Funds	*10*	18	-	18	18
Loan from CHFA	*16*	10,000	-	10,000	10,000
		22,951	0	22,951	22,951
2010					
Financial Assets					
Cash and cash equivalents	*10*	8,694	-	8,694	8,694
Term Deposits >3 <12 months	*11*	15,000	-	15,000	15,000
Trade and other receivables	*12*	5,070	-	5,070	5,070
Special Funds	*9*	868	-	868	868
Patient Trust Funds	*10*	16	-	16	16
Equity investments	*11*	-	3	3	3
		29,648	3	29,651	29,651
Financial Liabilities					
Trade and other payables	*14*	13,473	-	13,473	13,473
Patient Trust Funds	*10*	16	-	16	16
Loan from CHFA	*16*	10,000	-	10,000	10,000
		23,489	0	23,489	23,489

23. Capital Management

SCDHB's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

SCDHB is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

SCDHB manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure SCDHB effectively achieves its objectives and purpose, whilst remaining a going concern.

24. Post Balance Date Events

There have been no significant post balance date events of which the Board is aware.

25. Explanation of Significant Variances Against Budget

Explanations for significant variations from SCDHB's budgeted figures in the Statement of Intent are as follows:

Revenue was greater than budgeted by $0.9m, including $0.5m contribution from the State Services Commission for Kiwisaver contributions and $0.3m additional interest received due to additional deposits.

Employee benefit costs were more than budgeted by $0.3m but conversely outsourced personnel costs were $0.5m lower (net $0.2m lower) due to reduced use of locum and other outsourced personnel as a result of recruiting additional permanent medical staff.

Clinical supplies were $0.9m greater than budget, including additional costs and write downs arising from the SCDHB's move to outsourcing medical supplies.

Payments to non DHB health providers were $1.8m less than budget due to lower demand for some services.

Inter District outflows were $0.5m greater than budget due to patient demand for tertiary level care.

Cost of Services

SUMMARY OF REVENUE AND EXPENSES BY OUTPUT CLASS

IN THOUSANDS OF NEW ZEALAND DOLLARS

	Hospital		Primary and Community		Public Health		Support		Total DHB	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenue	84,968	82,842	51,112	50,395	2,522	2,522	27,330	30,438	165,933	166,198
IDF Inflow	3,405	2,221	1,178	1,178	-	-	947	947	5,530	4,347
Total Revenue	88,373	85,063	52,290	51,573	2,522	2,522	28,277	31,385	171,463	170,545
NGO	1,605	1,466	37,958	36,590	615	853	21,236	23,975	61,414	62,884
IDF Outflow	18,848	17,218	2,415	3,782	-	-	287	287	21,550	21,288
Provider Arm	70,694	65,012	7,079	10,313	1,517	1,628	5,295	6,760	84,585	83,713
Governance	1,367	1,367	888	888	41	41	563	563	2,860	2,860
Total Expediture	92,514	85,063	48,340	51,573	2,173	2,522	27,381	31,585	170,409	170,745
Profit/(Loss)	(4,141)	0	3,950	0	349	0	896	(200)	1,054	(200)

Output Classes:
Hospital Services comprise services that are delivered by the secondary provider using public funds.
Primary and Community Services comprise services that are delivered by a range of health and allied health professionals in various private, not for profit and government service settings including general practice, community and Maori health services, pharmacy services, community pharmaceuticals (the Schedule) and child and adolescent oral health and dental services.
Public Health Services are publically funded services that protect and promote health in the whole population or identifiable sub-populations.
Support Services comprise services that are delivered following a needs assessment process and coordination input by NASC for a range of services including palliative care, home based support services and residential care services.

Statement of Service Performance

As a Crown entity, South Canterbury District Health Board is required to report annually on its service performance. Outlined on the following pages are the Board's achievements against the service performance measures described in its Statement of Intent for 2010/11. The measures are aligned to the Board's key strategic objectives, which are to:

- Reduce inequalities in health status.
- Reduce the burden of chronic disease.
- Increase the number of people with healthy lifestyles, in order to reduce the incidence of disease.
- Improve/increase primary and population health services.
- Maintain the range and volume of hospital and related services.
- Assure the quality of services SCDHB funds and provides.
- Maintain financial viability.

The following service performance measures include national measures which are consistent across DHBs.

PUBLIC HEALTH SERVICES

This section outlines the public health services that SCDHB delivered to our population. Canterbury DHB is also contracted to deliver some South Canterbury public health services funded by the Ministry of Health.

AREA OF PERFORMANCE	MEASURE	BASELINE FROM 09/10	TARGET FOR 10/11	RESULT FOR 10/11	TARGET ACHIEVED?
Health promotion and education (including programmes delivered in WAVE education settings)	Number of health promotion and education programmes delivered	101	101	101	Yes
Smoking cessation programmes	Number of people participating in smoking cessation programmes	548	580	1014	Yes
	Reduction in smoking rate	21.9%	21.5%	N/A *	N/A *
Cervical screening	% of enrolled women aged 20--69 who have had a cervical screen in the last three years	76.05%	76.50%	73.42%	No
	% of high needs enrolled women aged 20--69 who have had a cervical screen in the last three years	72.82%	73.82%	69.49%	No
Breast screening	% of women aged 50-64 who have received a mammogram (total population)	78.18%	78.18%	80.98%	Yes
	% of high needs women aged 50-64 who have received a mammogram	73.48%	73.48%	78.20%	Yes
CVD risk assessment	% of eligible adult population have had their CVD risk assessed in the last five years: • Māori • Other • Total	 53.1% 58.1% 57.9%	 54.1% 59.2% 60%	 59.9% 68.1% 67.7%	 Yes Yes Yes
B4 school checks	% of eligible high needs children accessing a B4School check	129 children	80%	87.6%	Yes
	% of eligible children accessing a B4School check (excluding high needs)	363 children	80%	94.7%	Yes
Immunisation services	% of enrolled population >65 years receiving flu vaccination	66.82%	67.82%	60.53%	No
	% of high needs population >65 years receiving flu vaccination	67.58%	68.58%	63.96%	No
	% of eligible children fully immunised at two years: • Māori • All Other	 91% 91%	 91% 91%	 91% 91%	 Yes Yes

* Note: The smoking rate in the South Canterbury population was due to come from census results but these are not available due to the postponement of the census following the Christchurch earthquake.

PRIMARY AND COMMUNITY SERVICES

This section outlines the primary and community health services that SCDHB delivered for our population. Some of these services are provided by SCDHB, while others are funded by the DHB through service agreements with health service providers and non-government organisations. These services include personal health services, mental health services, and Māori primary health services.

AREA OF PERFORMANCE	MEASURE	BASELINE FROM 09/10	TARGET FOR 10/11	RESULT FOR 10/11	TARGET ACHIEVED?
Primary Health Care Services	Number and % of population enrolled with a GP	55,339 people or 97%	55,339 or more	55,350	Yes
	General practice use by high needs population	Ratio1:1.04	Ratio1:1.04 or higher	1:1.12	Yes
Oral health services	Mean DMFT Score at Year 8 (Decayed, Missing or Filled Teeth) • Māori • Other • All children Percentage caries free at 5 years • Māori • Other • All children	 2.19 1.64 1.68 44.44% 67.09% 64.07%	 2.50 1.40 1.50 50% 66% 64%	 1.79 1.07 1.13 33% 64% 60%	 Yes Yes Yes No No No
	% of adolescents from Year 9 up to, and including, age 17 years using DHB funded dental services	83%	85%	90.9%	Yes
	Number of pre-school children enrolled in DHB funded dental services	2448	2448	2624	Yes
	% of children enrolled with dental service who did not receive an examination during the year	3.3%	3.3% or lower	7%	No
	Percentage of pre-school children enrolled in DHB funded dental services	73.1%	73.1%	77.2%	Yes
Primary and community services	% of population recruited to Care Plus in general practice	79.9%	80%	79.3%	No
	Diabetes Annual Review – number of individuals receiving annual checks • Māori • Other • Total	 59 1718 1777	 65 1795 1860	 45 1681 1726	 No No No
	Diabetes Good Management – Number or % of individuals with Type I and Type II diabetes with HbA1c of equal to or less than 8 at their annual check • Māori • Other • Total	 62% 83% 82%	 71% 83% 83%	 73% 82% 82%	 Yes No No
	People attending annual diabetic reviews receiving retinal examination within the last two years	1270	1362	1037	No
	% of Services to Improve Access funding used to deliver services	Est 70%	100%	100%	Yes
Pharmacy services	Number of dispensings	1.194M	1.2M	1.34M*	Demand driven
Community radiology	Number of community referred radiology procedures	10,161	10,161	11,341	Demand driven

* Note: The number of dispensings is an estimated result only. Final results are determined by a national process that reports at the end of September, after this Annual Report was signed off.

Statement of Service Performance

HOSPITAL SERVICES

This section outlines the hospital-based services we delivered to our population. It also outlines those hospital services we funded others to provide for our population. Hospital services include all personal health services, mental health services, Maori health services, services for older people and disability support services. They are provided through Timaru Hospital and hospitals in other areas via inter-district flows (IDFs).

AREA OF PERFORMANCE	MEASURE	BASELINE FROM 09/10	TARGET FOR 10/11	RESULT FOR 10/11	TARGET ACHIEVED?
Mental health services	Discharges from inpatient services	N/A	N/A	279	Demand driven
	% of population accessing mental health services				
	• Māori 0-19	2.0%	2.64%	2.43%	No
	• Māori 20 – 64	2.1%	4.68%	7.01%	Yes
	• Māori 65+	1.0%	1.0%	2.38%	Yes
	• Other 0 – 19	2.0%	2.89%	3.38%	Yes
	• Other 20 – 64	2.1%	2.88%	3.22%	Yes
	• Other 65+	1.0%	1.0%	0.65%	No
	• Total 0 – 19	2.0%	2.86%	3.26%	Yes
	• Total 20 – 64	2.1%	2.98%	3.45%	Yes
	• Total 65+	1.0%	1.0%	2.8%	Yes
Elective services	Number of discharges (CWDs)	2597 (3479)	2622 (3497)	2663 (3522)	Yes
	Number of day case discharges (CWDs)	1466 (792)	1466 (792)	1530 (840)	Yes
	Number of first specialist appointments	8419	8712	8521 provisional result	No
	Number of admissions on day of surgery	865	865	921	Yes
	Day surgery as a % of all surgery	63%	63%	61.1%	No
	Average length of stay (medical/surgical) in days	4.4	4.01	4.16	No
	% of patients treated within cancer treatment waiting times	100%	100%	100%	Yes
	30 day mortality rate	1.33	1.33	1.62	Demand driven
Acute services	Number of ED attendances (excluding admissions)	10,860	10,705 or less	10,632	Demand driven
	% of ED attendances with an ED length of stay less than 6 hours	95%	95%	96.4%	Yes
	Number of admissions	6800	6800	7032	Yes
	Number of bed days used	19,739	19,344	26,502	Yes
	Re- admission rate	N/A	9.23	9.8	No
	Average length of stay (medical/surgical) in days	4.4	4.01	4.42	No
Assessment, treatment and rehabilitation services	Number of discharges	275	275	427	Demand driven
	Number of bed days used	2775	2775	6489	Demand driven
Maternity services	Number of deliveries	635	635	598	Demand driven
	Neo-natal average length of stay in days	2.5	2.5	2.5	Yes
	Post-natal average LOS in days	2.5	2.5	2.7	No
	% of caesarean births	22%	22%	24%	Demand driven

Statement of Service Performance

SUPPORT SERVICES

This section outlines the support services we delivered to our population. Each result includes people with long-term disabilities; people with mental health problems and people who have age-related disabilities.

AREA OF PERFORMANCE	MEASURE	BASELINE FROM 09/10	TARGET FOR 10/11	RESULT FOR 10/11	TARGET ACHIEVED?
Needs assessment service coordination	Number of new assessments completed	1250	1250	1321	Demand driven
	Time from referral to assessment (national target)	Urgent referral <7 days; 80% of accepted referrals assessed < 20 days	Same as 09/10	100%	Yes
	% of assessments using InterRAI	100% of eligible people assessed with InterRAI	100%	100%	Yes
Home-based support services	Number of home-based support service hours	200,000	200,000	195,108	Demand driven
	Number of people supported in their homes with individual packages of care	1,400	1,470	1,200	Demand driven
	Ratio of $'s spent on home-based support services versus aged residential care	1:3	1:2.9	1:3.9	Demand driven
Aged residential care services	Number of subsidised bed days: • Rest Home • Dementia • Hospital • Psychogeriatric	 63,875 14,600 70,080 10,585	 63,875 14,600 70,080 10,585	 75,591 15,218 63,313 9,086	Demand driven
Rehabilitation services for people aged under 65	Rehabilitation Services <65 Day hospital discharges	5	10	1	Demand driven
	Bed days used	62	125	235	Yes
	Outpatient attendances	170	170	26	Demand driven
Respite care services	Number of respite care days provided to families	2,000	2,580	2,200	No
Day care services	Number of clients	140	140	174	Yes

Statutory Information

GOOD EMPLOYER

Leadership, Accountability and Culture: Leadership, working collaboratively within our DHB and with other DHBs is key to providing direction and patient-focussed service delivery. Improving clinical leadership and the integration of primary and secondary care will continue to make a positive contribution in this regard. The Clinical Council is now established, taking on important oversight of clinical practices and standards. The organisation is also continuing with its structured approach to develop current and future clinical leaders.

Recruitment, Selection and Induction: SCDHB has developed a workforce strategy to support the attraction and retention of staff and the building of capability. Initiatives are planned to encourage South Canterbury youth to choose a health career that meets the future health workforce needs, and to support the on-going inclusion of the older workforce. We value the contribution a diverse workforce with different skills, experiences and perspectives makes and this is reflected in our approach to recruitment and our work environment.

Safe and Healthy Environment: SCDHB aims to maintain a safe and healthy environment and participates in the ACC Workplace Safety Management Practices Programme, maintaining tertiary level status in 2011. SCDHB follows a pro-active strategic approach to employee health by providing a number of initiatives to enable staff to understand and improve their own health. Examples include subsidised gym membership, access to swimming pools and various other free or low cost physical activities. Free health checks and online access to health reports were offered to staff and the business report generated by the survey will inform our ongoing healthy workplace programme (Health4you).

The organisation does not tolerate any form of harassment or workplace bullying and ensures all staff are aware of policies and procedures to deal with this situation. Staff were invited to form a team to evaluate and improve policy and procedures and communicate the support available and the building of a healthy workplace environment.

Remuneration and Recognition: SCDHB endeavours to remunerate all staff fairly and consistently. Following the staff survey in 2010 a team was formed to consider initiatives which would enable staff to feel more valued and appreciated.

Employee Development: Our performance review process provides two-way communication whereby all employees review their performance, progress career development and gain clear direction for the future. Managers are committed to the ongoing process of coaching, constructive feedback and formal appraisals which are linked to organisation goals and enable our organisation to move forward.

Flexibility and Work Design: The changing models of care and increased focus on productivity and sustainability will result in the development of new positions across primary and secondary services. For individuals who require flexible work arrangements SCDHB has a formal request process based on the Act for employees with caring responsibilities. Other individual requests for flexibility are considered on a case by case basis. Currently 33% of staff are full-time employees, 48% are part-time and 19% are casual.

WORKFORCE AT JULY 1, 2011

Staff Ethnicity	Number
African	9
American	2
Asian (unidentified)	1
Australian	1
British/Irish	32
Chinese	4
Cook Island Maori	2
Dutch	1
Filipino	5
German	1
Indian	2
Korean	1
Middle Eastern	4
South East Asian	5
Sri Lankan	1
Tongan	1
European	58
Other (European)	33
NZ European	588
NZ Maori	37
Other	16
Not Available	106
Object	5
TOTAL	920

Staff Mix by Gender	Number	Percentage
Female	780	85
Male	140	15
TOTAL	920	100

Staff Mix by Hours of Work (FTE)	Percentage
Casual/Pool	19
Less than 0.25FTE	2
0.25 to 0.49 FTE	7
0.5 to 0.74 FTE	19
0.75 to 0.99 FTE	19
1 FTE	33

Staff Mix by Average Age	Age
Administration/Management	48
Allied Health	46.7
Medical	45.1
Nursing	46.3
Support Personnel	44
Average age of all staff	46

Statutory Information

Shares or Interest Held

South Island Shared Service Agency Limited (SISSAL) 60 fully paid ordinary shares, 6% interest held.

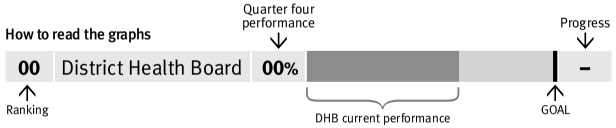
Donations

No donations were made.

Capital Invested $3,253,000 **Partnerships, Joint Ventures or Other Involvements** None

Your District Health Board

2010/11 QUARTER FOUR RESULTS



South Canterbury District Health Board

MINISTRY OF HEALTH
MANATŪ HAUORA

Shorter stays in Emergency Departments

The target is 95 percent of patients will be admitted, discharged, or transferred from an Emergency Department (ED) within six hours. The target is a measure of the efficiency of flow of acute (urgent) patients through public hospitals, and home again.

		Quarter four performance	95%	Change from previous quarter
1	West Coast	100%		–
2	Wairarapa	98%		–
3	Nelson Marlborough	97%		–
4	South Canterbury	97%		–
5	Counties Manukau	97%		–
6	Taranaki	96%		–
7	Tairawhiti	96%		▲
8	Canterbury	96%		–
9	Auckland	95%		▲
10	Hawke's Bay	94%		–
11	Waitemata	94%		▲
12	Whanganui	91%		▲
13	Bay of Plenty	90%		▲
14	Northland	90%		▲
15	Lakes	89%		▼
16	Waikato	89%		▲
17	Hutt Valley	87%		▲
18	MidCentral	87%		–
19	Southern	83%		▲
20	Capital & Coast	74%		▼
	All DHBs	92%	95%	▲

Improved access to elective surgery

The target is an increase in the volume of elective surgery by an average of 4000 discharges per year.

DHBs planned to deliver 140,063 discharges year to date, and have delivered 5290 more.

		Quarter four performance	100%	Progress against plan (discharges)
1	Northland	119%		▲
2	Whanganui	116%		▲
3	Wairarapa	112%		▲
4	Lakes	111%		▲
5	Counties Manukau	108%		▲
6	West Coast	107%		▲
7	MidCentral	106%		▲
8	Taranaki	106%		▲
9	Bay of Plenty	104%		▲
10	Capital & Coast	103%		▲
11	Hawke's Bay	103%		▲
12	Waitemata	103%		▲
13	Hutt Valley	102%		▲
14	Waikato	102%		▲
15	South Canterbury	101%		▲
16	Southern	101%		▲
17	Tairawhiti	101%		▲
18	Nelson Marlborough	100%		▲
19	Auckland	100%		▲
	Canterbury	97%		▼
	All DHBs	104%	100%	▲

Shorter waits for cancer treatment

The target is everyone needing radiation treatment will have this within four weeks. Six regional oncology centres provide radiation oncology services. These centres are in Auckland, Hamilton, Palmerston North, Wellington, Christchurch and Dunedin.

Canterbury DHB's result is 99.53 percent. One patient waited three days longer than target as a result of earthquakes.

		Quarter four performance	100%	Change from previous quarter
1	Northland	100%		–
1	Waitemata	100%		–
1	Auckland	100%		–
1	Counties Manukau	100%		–
1	Waikato	100%		–
1	Lakes	100%		–
1	Bay of Plenty	100%		–
1	Tairawhiti	100%		–
1	Hawke's Bay	100%		–
1	Taranaki	100%		–
1	MidCentral	100%		–
1	Whanganui	100%		–
1	Capital & Coast	100%		–
1	Hutt Valley	100%		–
1	Wairarapa	100%		–
1	Nelson Marlborough	100%		▲
1	West Coast	100%		▲
1	South Canterbury	100%		▲
1	Southern	100%		▲
	Canterbury	99.5%		▲
	All DHBs	100%	100%	▲

Increased Immunisation

The national immunisation target is for 90 percent by July 2011; and 95 percent by July 2012.

This quarterly progress result includes children who turned two years between April and June 2011 and who were fully immunised at that stage.

		Quarter four performance	90%	Change from previous quarter
1	Wairarapa	94%		▲
2	Hawke's Bay	93%		▼
3	Southern	93%		▼
4	Auckland	92%		▲
5	Waitemata	92%		▲
6	MidCentral	92%		–
7	South Canterbury	92%		▼
8	Hutt Valley	91%		▲
9	Capital & Coast	91%		–
10	Waikato	91%		–
11	Tairawhiti	90%		▲
12	Canterbury	90%		–
13	Counties Manukau	90%		▲
14	Whanganui	89%		▼
15	Lakes	89%		▲
16	Taranaki	88%		▼
17	Bay of Plenty	87%		▲
18	Nelson Marlborough	87%		▼
19	West Coast	84%		▲
20	Northland	83%		▲
	All DHBs	90%	90%	▲

Better help for smokers to quit

The target is that 90 percent of hospitalised smokers will be provided with advice and help to quit by July 2011, and 95 percent by July 2012. The data covers patients presenting to Emergency Departments, day stay and other hospital based interventions.

		Quarter four performance	90%	Change from previous quarter
1	Lakes	100%		▲
2	Wairarapa	99%		▲
3	Whanganui	97%		▲
4	Capital & Coast	97%		▲
5	South Canterbury	94%		▲
6	Northland	93%		▲
7	Hawke's Bay	91%		▲
8	Hutt Valley	91%		▲
9	Nelson Marlborough	90%		▲
10	Counties Manukau	86%		▲
11	Waitemata	86%		▲
12	MidCentral	85%		▲
13	Tairawhiti	85%		▲
14	West Coast	83%		▼
15	Taranaki	83%		▲
16	Waikato	81%		▲
17	Southern	79%		▲
18	Auckland	79%		▲
19	Bay of Plenty	77%		▲
	Canterbury	71%		▼
	All DHBs	85%	90%	▲

Better diabetes and cardiovascular services

This graph represents the average progress made by a DHB towards three target indicators:

(a) an increased percent of the eligible adult population will have had their cardiovascular disease risk assessed in the last five years;

(b) an increased percent of people with diabetes will attend free annual checks;

(c) an increased percent of people with diabetes will have satisfactory or better diabetes management.

		Quarter four performance	Change from previous quarter
1	Taranaki	81%	▼
2	Whanganui	80%	▼
3	MidCentral	77%	–
4	Wairarapa	76%	▲
5	Hutt Valley	75%	▼
6	Hawke's Bay	75%	–
7	Counties Manukau	74%	–
8	Southern	74%	▲
9	Capital & Coast	73%	–
10	Waikato	73%	▼
11	Northland	73%	–
12	South Canterbury	72%	–
13	Bay of Plenty	72%	▲
14	Waitemata	72%	▼
15	West Coast	72%	▼
16	Lakes	72%	▼
17	Nelson Marlborough	69%	–
18	Auckland	69%	▼
19	Tairawhiti	68%	–
	Canterbury	66%	▼
	All DHBs	72%	▼

This information should be read in conjunction with the details on the website **www.moh.govt.nz/healthtargets**

Canterbury DHB's performance has not been ranked in four of the six health targets in acknowledgment of the impact of the earthquakes on the DHB's year-end results.

New Zealand Government

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of
South Canterbury District Health Board's
financial statements and statement of service performance
for the year ended 30 June 2011

The Auditor-General is the auditor of South Canterbury District Health Board (the Health Board). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Health Board on her behalf.

We have audited:

- the financial statements of the Health Board on pages 6 to 29, that comprise the statement of financial position, statement of commitments and statement of contingencies as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Health Board on pages 30 to 33.

Opinion

In our opinion:

- the financial statements of the Health Board on pages 6 to 29:
    - comply with generally accepted accounting practice in New Zealand; and
    - fairly reflect the Health Board's:
        - financial position as at 30 June 2011; and
        - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the Health Board on pages 30 to 33:
    - complies with generally accepted accounting practice in New Zealand; and
    - fairly reflects the Health Board's service performance for the year ended 30 June 2011, including:

- its performance achieved as compared with forecast targets specified in the statement of forecast service performance for the financial year; and
- its revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses specified in the statement of forecast service performance for the financial year.

Our audit was completed on 30 September 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Health Board's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Health Board's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and

- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Health Board's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.

Responsibilities of the Auditor

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

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants. Other than the audit, we have no relationship with or interests in the Health Board.

Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

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South Canterbury
District Health Board