NORTHLAND DISTRICT HEALTH BOARD

ANNUAL REPORT 2020

Public Health Nurses on Children's Day 2019.

Healthy, happy taiohi enjoying entertainment from Ngāti Hine FM at Children's Day 2020 at The Pulse.

Presented to the House of Representatives pursuant to section 150 of the Crown Entities Act 2004

NORTHLAND DISTRICT HEALTH BOARD
Te Poari Hauora Ā Rohe O Te Tai Tokerau

Reading our Annual Report

The annual report presents an account of Northland DHB's performance for the year from 1 July 2019 to 30 June 2020.

It sets out what Northland DHB committed to do in the year, and how we delivered on that commitment.

Each year, the board reviews progress on its vision and long-term strategy, and identifies what will be achieved over the next twelve months. This is documented in the Annual Plan.

A Statement of Intent is also prepared annually and is the formal accountability document between Northland DHB and the Government. It provides a concise summary of Northland's intentions for the year ahead, and covers both long-term and annual planning objectives.

This document, the Annual Report, tells you how Northland DHB performed against the Statement of Intent and Annual Plan. It provides a detailed account of how the health dollars allocated to this board were managed.

Key Components

Chair and Chief Executive Report A report from the chair and chief executive on the past year.

Introduction Northland District Health Board. A brief overview of Northland DHB's role, the district it covers, and resources it manages.

Statement of Performance A report on Northland DHB's performance against the targets set by the board, and agreed by the Minister of Health.

2019-2020: The Year in Review Includes staff and health sector activities and the DHB's financial performance.

Governance and Partnerships A report on how the board of Northland DHB is structured and operates.

Financial and Audit Reports The annual financial accounts of the organisation. Includes notes and disclosures regarding remuneration, dividend payments, and interest/shares in other organisations.

When 34 Tai Tokerau Rangatira signed He Whakaputanga o te Rangatiratanga o Nui Tireni on 28 of October 1835 with further signings of Te Tiriti o Waitangi on 6 February 1840 and beyond, these were the imagining's of our Tupuna for a future of hope and opportunity.

The release of the Waitangi Tribunals report on Health and Service Outcomes Inquiry (WAI2575) on 1 July 2019 has provided us a reminder of how far (sic) we have come in 185 years to delivering on the aspirations of our tupuna.

On 19 March 2020 New Zealand closed its borders to Non New Zealand visitors as a response to a Global pandemic.

Each one of these waypoints have levels of narratives, backstory's and sidebars that singularly and collectively underscores their "why's". This also requires an articulation of what has not happened. This then, for some, continues to feed what will not happen.

There are also many other waypoints that continue to reinforce a sense of complexity and intractability that in itself asymmetrically applies focus on "how" we stare down such intractable challenges.

Our Tupuna's imaginings, WAI2575 and the Government's approach to a Global Pandemic are underpinned by each response having a shared solidarity. These are the responses of collectives to a common threat or opportunity. Having a higher immutable purpose amplifies collectivisation, binds relationships and provides impetus.

So "what" does this all mean to us as global citizens, citizens of New Zealand, and integral members of our whānau. It is from these roles we are able to frame our contributions. For those of our staff, management and board members who selflessly serve we wish to acknowledge each one of you for your contribution. For those we build relationships with in our highly connected Te Tai Tokerau ki Muriwhenua Ecosystem, it is for us to reflect the imagining's of our tupuna and bring that finishing line to today.

Ngā Manaakitanga,

Harry Burkhardt
Board Chair

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MESSAGE FROM THE CHAIR & CHIEF EXECUTIVE

We would like to express our gratitude to the entire organisation for the care and service that is provided to our high-need population. It is a privilege to work in health, but it certainly comes at a personal cost. We acknowledge every staff member for all the times they have gone that extra km for their patients.

Harry Burkhardt
Board Chair

Dr Nick Chamberlain
Chief Executive

The Board and Executive Leadership team wish to express their gratitude to the entire organisation for the care and service that is provided every day. Because of COVID-19 it has been an extraordinarily difficult year, which has tested healthcare workers' resilience and impacted on wellbeing. The world is changed forever.

On 25 January, the Northland DHB Incident Management Team (IMT) first discussed the DHB's preparedness for a coronavirus outbreak. The Incident Controller had formed IMT as part of the drought response in the region, and at this meeting, it transitioned to focusing solely on the coronavirus outbreak.

On 16 March, just after New Zealand recorded its sixth COVID-19 case, the Northland DHB Emergency Operations Centre was up and running 12 hours a day, seven-days-a-week at Whangarei Hospital. All of our hospitals in Northland - Whangarei, Dargaville, Bay of Islands, Rawene, and Kaitaia prepared for COVID-19 by establishing Red and Green zones.

On 17 March, Northland had its first confirmed case of COVID-19 in the region, and on 25 March Alert Level 4 was activated putting the Country into a nationwide lockdown.

The amount of work done in less than two weeks was nothing short of stunning! The Public Health teams were the first in the Country to establish Community Based Testing Centres, again demonstrating our commitment to ensuring our communities were safe and we were able to detect any community transmission. Our responsiveness also helped support primary care at a time of need.

Our hospital and facilities staff completely reconfigured our Hospitals and completely changed their models of care with the use of telehealth and a number of Information system enhancements.

As of 30 June 2020, in partnership with Māori Health Providers, general practice and aged care facilities, 13,843 COVID-19 tests were carried out in Northland. 40 percent of tests performed were for people who identify as Māori. There were 28 cases of COVID-19 confirmed in Northland, 29 percent were Māori and the last case in Northland was reported on 19 March, 2020.

Northland DHB (parent) has reported a deficit of $21.017m for the financial year to 30 June 2020. Our operating deficit for the year was $12.375m which was better than our budgeted deficit of $12.8m. Our Holidays Act cost for the year $1.866m, and our unfunded COVID-19 related expenses were $6.766m.

Inpatient surgical volumes materially reduced through March and April 2020 as services were scaled down as part of our COVID-19 response plan. Specific planned care services/procedures continued to be delivered throughout the response period, and this was in line with the National Framework.

Throughout the year, consulting widely with our community and staff, we have been working on developing the 20/40 Northland Health Strategy. We will be aligning the Strategy with key findings of the Government's Health and Disability System Review. The Review sets out a path towards a better, more sustainable health system with clear lines of accountability to improve health outcomes for those most in need, including Māori, Pacific people, the disabled, and rural communities.

Our obligation is to deliver health equity which means we need to ensure we provide the same level of care to everyone, no matter where they live. We must close the inequity gap between those who are advantaged and those who are disadvantaged so that everyone has equal health outcomes.

Closing the inequity gap requires collaboration across social services providers, given that the medical health system impacts on 20 percent of a person's health, while 70 percent comes from social and lifestyle factors. Collaboration is fundamental to delivering health equity for our people.

In October 2018 ministers approved $24m to enable us to expand theatre capacity and to build a cardiac catheter laboratory and endoscopy unit. During the 2019-20 year we have completed construction of the endoscopy unit, and started construction of the cardiac catheter laboratory and expanding theatre capacity.

The official opening of the endoscopy suite Te Wāhi Tirohia Oranga Whēkau (looking inside for the wellbeing of your health), was scheduled to occur on Wednesday 25 March, however, was postponed as COVID-19 Alert Level 4 was about to come into force. Relocation to the new suite was to take five weeks but with the Surgical Admissions Unit shut down due to COVID-19, we decided to bring urgent endoscopy back online, and staff managed to set up their entire operation over three days. This will also enable bowel screening to be implemented from August 2021.

Construction of the new cardiac catheter laboratory is well underway and will mean fewer avoidable deaths through improved cardiac care for Northlanders and represents a significant opportunity to increase surgical capacity and improve the equity of outcomes.

On 29 January, 2020 the Government announced that they would provide $10m to address weather tightness issues at Kaitaia Hospital and this work is underway.

Tu Kaha, our new mental health and addiction services subacute unit in Kaikohe opened late last year. The beautiful new building replaces a damp building that was going to cost over $300,000 to repair. The service provides transitional treatment and rehabilitation to minimise the need for hospitalisation.

Funds from Hugo Charitable Trust will be used to purchase building materials for the construction of the Bay of Islands Hospital's Hugo Whānau House. The project is a joint undertaking by the Hugo Trust, Northland DHB and the Northland Regional Corrections Facility (NRCF). NRCF is building the unit within the confines of its facility, which in turn contributes towards its internal programmes, offering training opportunities for offenders.

Extra capacity in the Te Kotuku Maternity Unit was created to help alleviate bed constraints in the hospital by allowing boarder mums to be accommodated in Te Kotuku.

The impact of Industrial Action has been significant this year. Over the last year, there have been 158 days where some part of our workforce have been on strike. This activity is hugely disruptive and costly, both in financial terms and patient safety. Clearly, it also impacts on our staff, both those who are striking and those who are covering them. The only solution for many of these strikes was Facilitation which helped to independently assess each parties position and come up with a nonbinding but publicly available opinion and recommendation.

The Northern Region DHB-Iwi Partnership held their first meeting on Friday 28 February 2020, and it was agreed that Northland would join some of the Māori Health Pipeline projects that have been established by Waitematā DHB and Auckland DHB. This is one example of how we as an organisation have a commitment to our Te Tiriti obligations.

There was a greater emphasis through Mahitahi Hauora PHE on increasing Māori CVD treatment, in particular dual and triple therapy. We are also looking to strengthen our community cardiac and pulmonary rehabilitation programmes.

Northland was one of the regions to obtain additional funding for Te Tumu Waiora. Te Tumu Waiora is a highly prescribed model of Primary Mental Health Service delivery within General Practices and NGOs.

It involves the provision of two new roles - a health improvement practitioner (HIP) who conducts brief intervention behavioural therapies and health coaches/ Kaiāwhina who ensure appropriate whānau and social supports are available to help coordinate health and social care. We had already self-funded this model in three practices in Northland.

Northland DHB has also been successful in securing a $17.1m funding allocation for the Regional Collaborative Community Care project, a transformational replacement of our (out of support) Jade system which provides up to 800 of our Mental Health and Community staff with access to an electronic health record.

We have completed our Clinical Services Plan, Site Master Plan and Business Case for a new Whangarei Hospital, and have had a favourable response from the Capital Investment Committee. We are expecting to be given the green light to progress to a detailed business case which needs to be completed in 2021.

Our staff did an incredible job managing the Measles outbreak in late 2019. There were 134 confirmed measles cases with no new confirmed cases notified since 7 December 2019. The outbreak was managed by contact tracing and vaccinating, and we also acknowledge our General Practices, who had the added challenges of rationing during a shortage of vaccine supply.

Over the past 12 years, Northland DHB has been in partnership with Countdown as part of a national and local fundraising programme for tamariki. Over this period, Northland has received close to $900,000. Many items of vital equipment have been purchased for our services to children throughout our hospitals, and we sincerely thank Countdown for their time, support and generous contributions over the years. In 2020 Countdown set up a new fundraising platform and are supporting KidsCan to raise $1 million to help make their Early Childhood Education Centre food programme.

Northland's first cohort of Calderdale Framework Facilitators have completed their training and are implementing their Calderdale projects. The Calderdale Framework is a clinically-led workforce development tool to facilitate a 'best for the patient, best for system' approach. It provides a delegation model for assistants and other support workers, and a workforce model for skill sharing across professions in the team. There are a total of nine trained Facilitators in Allied Health and District Nursing located in Whangarei, the Mid North and the Far North.

A project was initiated in December 2019 exploring whether a Rongoā Māori service could be considered across Northland. Hokianga Hauora hosted a gathering of healers and consumers of services. There is very strong interest across Northland for this service to be planned, funded and made available to the community as an accepted healthcare pathway.

Nurses constitute the largest health workforce in Northland, with over 1,700 nurses employed within Northland DHB. Nurses make up nearly half the workforce of employed Northland DHB staff and there are a further 500+ nurses working in Primary Health, non-government organisations and aged care sector. Northland DHB, in collaboration with NorthTec and Mahitahi Hauora PHE, is currently developing a workforce strategy to address Māori inequities in the nursing workforce.

One of the strategies is to target schools as early as Year 9 to promote a health focus and introduce pathways into health careers. Another approach is visiting Marae and Iwi Providers to address Māori in their environment with a more kanohi ki te Kanohi (face to face) korero. Northland DHB has committed to a proactive Affirmative Recruitment Policy that addresses cultural inequities, thus ensuring Māori are equitably represented within our workforce.

Northland DHB, NZ Police, together with community agencies lead Te Ara Oranga, the Methamphetamine Harm Reduction initiative that was launched in October 2017. In March 2020, Te Ara Oranga won the Excellence in the Generation, Application and Development of Evidence Award at the 2020 Evidence-Based Problem-Oriented Policing Awards at Te Papa, in Wellington. Te Ara Oranga was among eight harm-reduction projects from Police districts and national workgroups selected as finalists from 20 original entries. Finalists had to show they had identified and analysed recurring problems and how they developed, implemented and assessed effective responses.

The partnership between Northland DHB and Northland Community Foundation focuses on encouraging community giving to benefit the health needs of all Northlanders, now and in the future. At year-end 30 June 2020 the Foundation has received $209,035 on behalf of Northland DHB which is made up of $203,584 donations, $2,648 fundraising income, $1000 grant and $1,803 interest earned. The total Promised Funds (Bequests) for Health Fund PLUS to 30 June, 2020 was $2,350,000.

We take this opportunity to acknowledge and sincerely thank the members of our Board and advisory committees who finished their term in December 2019, and welcome our new Board and thank them for their passion and commitment to their roles during the year.

To all those volunteers and community groups that use their own time to support our work, thank you. Without your help, the hospitals wouldn't have the warmth and extra care that you provide. We would also like to record the appreciation of the Board to the Kaunihera Council of Elders (kaumātua and kuia) for their continuing support, advice and wisdom on matters of Tikanga Māori.

Harry Burkhardt
Board Chair

Dr Nick Chamberlain
Chief Executive

ABOUT NORTHLAND DHB

Who we are and what we do

Northland DHB is categorised as a Crown Agent under section 7 of the Crown Entities Act 2004. Responsible for providing or funding health and disability services for the people of Northland, the DHB covers a large geographical area from Te Hana in the south to Cape Reinga in the north. The DHB employs 3,368 staff. Acute services are provided through the DHB's four hospitals, based at Whangarei, Dargaville, Kawakawa and Kaitaia, with elective surgery performed at Whangarei and Kaitaia. These services are supplemented by a network of community-based, outpatient and mental health services, a range of allied health services, and a public and population health unit. Some specialist services, like radiation treatment and neurology services are provided from Auckland or through visiting specialists travelling to Northland. The DHB allocates funding across the health sector in Northland, contracting with a range of community-based service providers such as Mahitahi Hauora, our single Primary Health Entity, dentists, pharmacies and other non-government organisations.

Our Health Profile

Māori

Māori experience low health status across a range of health and socio-economic statistics. They comprise over one-third of Northland's total population, but 52 percent of the child and youth population, a key group for achieving long-term gains. Māori experience early onset of long-term conditions like cardiovascular disease and diabetes, and their life expectancy is about nine years less than non-Māori.

Child and Youth

The child and youth proportion of Northland's population is projected to decline over the coming years from 32.2 percent in 2018 to 30.7 percent in 2028, but remains a priority because healthy children make for healthy adults and because children are more vulnerable than adults.

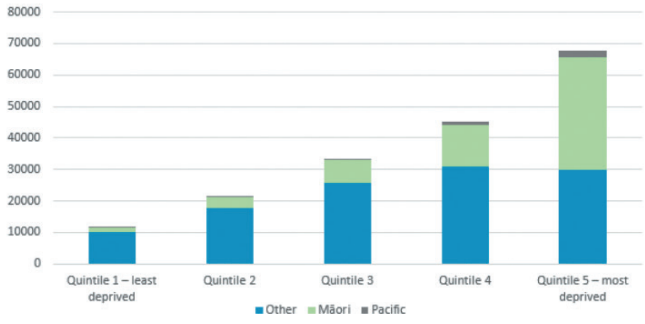
The deprivation index, which divides New Zealanders into ten groups according to their deprivation scores, placed 80 percent of the population on the most deprived half of the index.

Older People

In 2020, 20 percent of our population was aged 65 or more; that is projected to rise to 28 percent by 2028 (when the national figure will be only 21 percent). The ageing population places significant demands on health services provided specifically for older people (residential care, home and community support services, day care). It also increases the prevalence of long-term conditions that become more common with age.

Deprivation, 2019/20

Deprivation, 2019/20 Northland has a very high proportion of people in the most deprived section of the population while the least deprived section is under-represented.



Ref: Ministry of Health website Population of Northland DHB - Deprivation is reported in 'quintiles'. Quintile 1 represents the least deprived section of the population while quintile 5 represents the most deprived section.

Long-Term Conditions

About three-quarters of deaths in Northland are from cardiovascular disease (heart disease and stroke) or cancer (most commonly trachea-bronchus-lung, colorectal, prostate and breast).

Twenty-one percent of adult Northlanders have been told they have high blood pressure and 14 percent that they have high cholesterol, both known risk factors for cardiovascular disease.

Although diabetes is not a major killer itself, it is a primary cause of heart disease. A great deal of unnecessary illness and hospitalisation is related to poor management of diabetes.

Oral Health

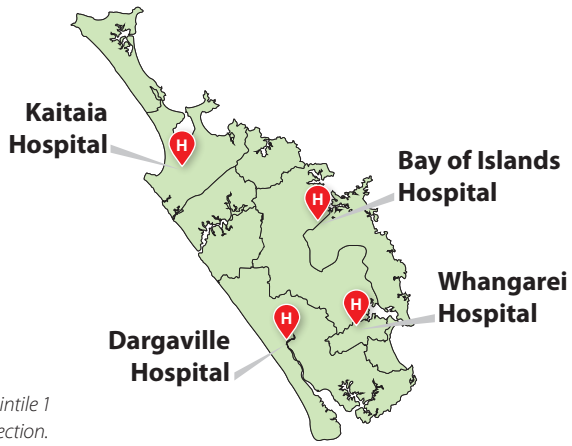
Northland's Year 8 students have a higher number of decayed, missing or filled teeth (1.14 compared with 0.7 nationally). Our 5-year-olds have one of the lowest percentages of teeth without tooth decay (45 percent compared with 59.7 percent nationally).

Lifestyle Behaviours

The way people live their lives and the behaviours they exhibit have an enormous effect on health status. There are many influences, but key ones are smoking, diet, alcohol and other drugs, and lack of physical activity.

Social Influences

Many of the causes of ill health rest with social and economic factors such as housing, education and economic prosperity. The health sector cannot affect these directly, but as a DHB we work collaboratively with other government and local body organisations to achieve a healthier Northland.



WHERE THE MONEY GOES

$404m

Whangarei, Dargaville, Bay of Islands and Kaitaia Hospitals (surgical and medical services, emergency departments, imaging, laboratories, maternity), public health.

$80m

Primary Health (general practitioners, community dental services, radiology)

$77m

Health of older people (including residential care, rehabilitation)

$60m

Mental Health Services

$9m

Māori health services

$41m

Community pharmacies

$8m

Community laboratory services

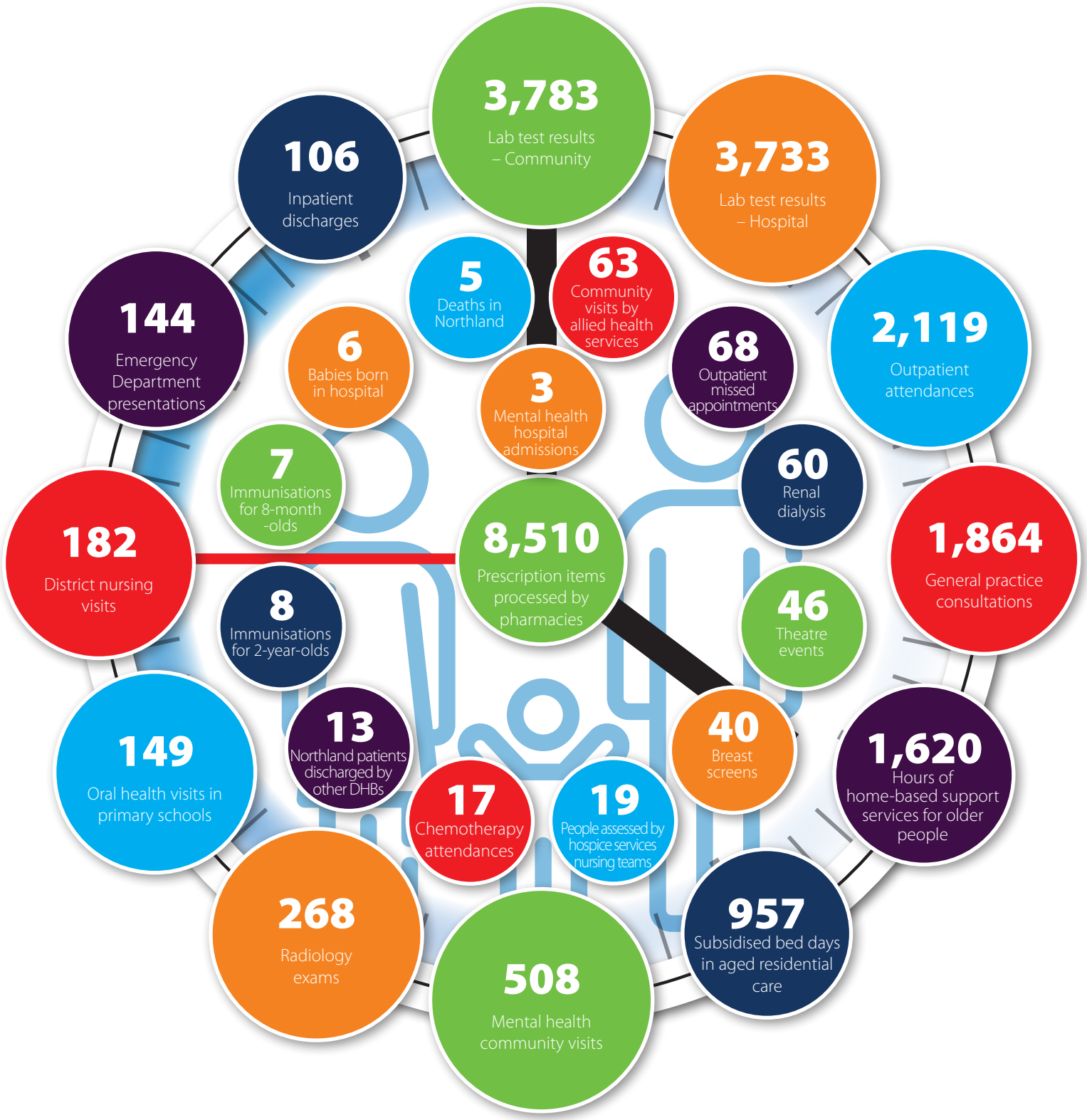
$80m

Inter-district flows (publicly-funded health services paid to other district health boards and others for services provided to Northland patients)

Total $759m

EACH DAY IN NORTHLAND

On average, each day in Northland there are:



OUR SERVICES

There are currently 169 GPs and 172 practice nurses across 37 general practices providing primary healthcare to Northlanders enrolled with with Mahitahi Hauora Primary Care Entity, and non-enrolled and non-resident patients.

Northland DHB has 255 contracts with 128 non-government organisations (NGOs) including Māori Health providers and Whānau Ora collectives that provide a range of public health, primary healthcare and community services across Northland.

Figure 1
Northland PHOs

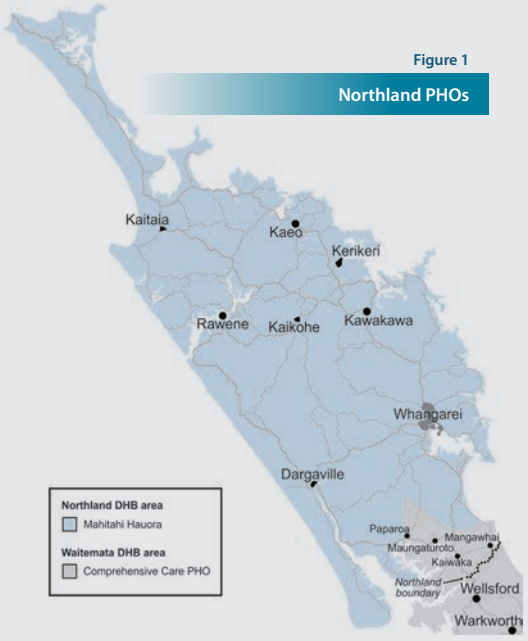


Figure 2
Māori NGOs

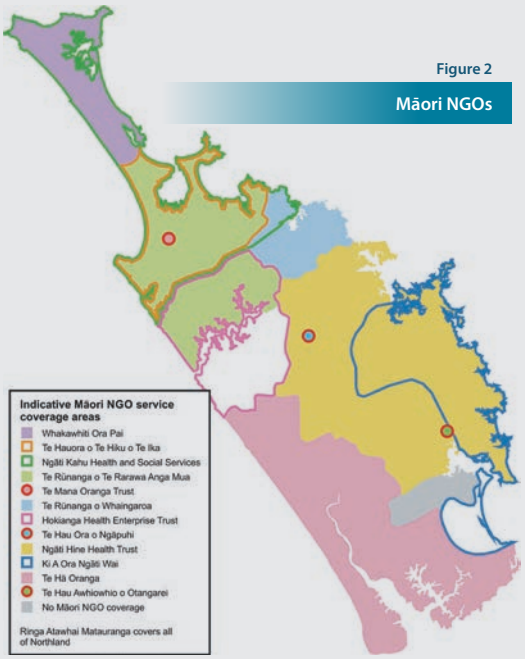


Figure 3
Northland Hospitals

Figure 4
Travel Distances

NORTHLAND DISTRICT HEALTH BOARD
Te Poari Hauora Ā Rohe O Te Tai Tokerau

OUR PEOPLE

He whakapapa, he mokopuna, he tamariki, he mātua, he tūpuna. He aha te mea nui. He tāngata, he tāngata, he tāngata.

Our people are central to all we do. Our people are what drive our organisational culture. The five organisational Values are what we pride ourselves on. They are the foundation of our culture that we continue to build on.

Demographics

Northland DHB workforce profile	Total workforce 3,368 active employees
Age profile	Female average age 46.23 years Male average age 45.90 years
Ethnic profile	Māori 18.17 percent Pasifika 1.34 percent European 60.04 percent Asian 11.61 percent Other 1.51 percent Not stated 3.41 percent
Disability profile	Specific data is not currently held for this category. Individuals with disabilities applying for vacancies are given full consideration based on the needs of the position
Gender profile	Female 2,703 employees (80.26 percent) Male 665 employees (19.74 percent)

Leadership, Accountability and Culture

Northland DHB is committed to meeting its statutory, legal and ethical obligations to be a good employer. We strive to provide an organisational culture that has strong leadership and accountability – where everyone is able to contribute to the way the organisation develops, improves and adapts to change.

Leadership is encouraged and supported at all levels of the organisation. A key focus and priority for the DHB is the engagement between clinical networks, strengthening established partnerships between managers and clinicians across the organisation.

Collaboration across services and occupational groups contributes significantly to staff engagement and innovation as does the DHB's positive relationship with its union partners. Staff satisfaction and retention is enhanced as staff Wellbeing is further aligned to the Northland DHB Values, organisational compliance requirements, service needs and staff's own professional development.

Local engagement groups continue to meet regularly and remain integral to maintaining a cooperative working environment. The objective of the groups is to provide a forum for ongoing constructive engagement between Northland DHB and the unions that represent its employees.

Northland DHB has put 'Achieving Equity' front and centre and has undertaken a number of moves that demonstrate accountability to this kaupapa.

A further commitment by Northland DHB is to its sustainability responsibilities whereby there is continuous focus on reducing carbon emissions from operations.

Achievements in 2019-20 include:

- The Leadership Programme based on the State Services Commission programme continues to be rolled out across the organisation, with 26 leaders and/or engaging in the programme over the last 12 months
- A series of programmes have been developed to feed into the 'achieving equity' programme of work:
  - A Māori Workforce Affirmative Action Plan designed and developed
  - A position statement on Equity
  - Design and development of an equity tool
  - A position statement from the Board on Institutional Racism
  - A series of community engagement forums across Te Tai Tokerau
- A number of initiatives have been put in place to reduce carbon emissions:
  - Our waste to landfill has been reduced by 10% last year
  - Over 150 recycling bins in the hospitals and with some contract changes, 58 tonnes of waste streams are now recycled
  - We now use carbon neutral paper and sugarcane plates and bowls
  - All diesel use for heating has been phased out
  - Carbon emissions from medical gases have reduced significantly, avoiding 2.2 million car km
  - We purchased carbon offsets for our patient flights (first DHB to do so)
  - We have a new electric ATV and more e-bikes.

Recruitment, Selection and Induction

Northland DHB remains committed to supporting more Māori into the health and disability workforce. This applies particularly to areas where Māori are under-represented as health professionals and over-represented in their health needs. Currently Northland DHB's Māori workforce comprises 18 percent of the total staff; in contrast, Te Tai Tokerau Māori population currently comprise 35 percent. We strive to have a workforce that represents the population we serve.

During 2019-20 the four Objectives of our ten-year Northland Workforce Development Strategy 2019-29 have underpinned our recruitment, selection and induction planning and action. The Objective to grow the capacity and capability of our Māori workforce has been strengthened with the development of an Affirmative Action Plan. The Workforce Equity Manager, who started in the third quarter of 2019, is in the process of implementing the newly developed Affirmative Action Plan. The Plan is organised around three themes, those of:

- Grow and Develop (To deliver, invest in and/or partner with education providers)
- Recruit and Select (To increase the proportion of the Māori Health Workforce in Northland to at least match the working age percentage of Māori in Northland)
- Retain and Develop (To support, grow and strengthen Māori strategic and operational leadership across the DHB).

Our 'grow our own' workforce theme has led to a number of development projects which have been implemented with great success. Northland DHB holds the regional hub contract for Kia Ora Hauora. This was established to increase the number of Māori entering first-year tertiary study, and to recruit and retain Māori in health-related career pathways and into the health sector workforce.

Our Recruit and Select theme has led to the development of specialised staff affirmative action training and support. An all of staff online Achieving Equity under Te Tiriti o Waitangi Module and a follow on Achieving Equity under Te Tiriti o Waitangi Workshop for hiring managers has been designed and developed for delivery 2020/21.

Our Retain and Develop theme focuses on staff development includes the Healthcare Assistant NCEA and Enrolled Nursing programme.

The attract, recruit and develop a talented workforce strategic Objective underpins our commitment to future proofing our service delivery. Engagement with NeonLogic, our agency partners, led to the development of Employer Value Propositions to help us attract and retain high quality employees.

Our longstanding arrangement with the University of Auckland saw another cohort of 24x Year 5 medical students progress through our Pukawakawa programme. Students experience a noho marae where they have the opportunity to gain understanding of Te Ao Māori perspectives of health and wellbeing and an opportunity to gather tools to support effective engagement with Māori One of the aims of this programme is to encourage students to start their careers in Te Tai Tokerau regional and rural centres.

Achievements in 2019-20 include:

Appointment of the Workforce Equity Manager to:

- Rollout the Māori Workforce Affirmative Action Plan
- Direct service managers/hiring managers on an affirmative action process for recruitment and selection of cultural and technically competent staff
- Lead and contribute, alongside other stakeholders, to review and advise managers on their recruitment and retention strategies
- Direct and influence the organisation's results on growing Māori workforce within the DHB
- Advise on the strategic direction of the organisation's commitment to eliminating inequities
- Use Tikanga based recruitment strategies that best support Māori workforce improvements.

Grow and Develop:

- Promote Health Careers and Recruit to Kia Ora Hauora
  - As at June 2020, we have 1,273 members in the northern region
  - New registrations between July 19 & Jun 20 = 487
  - Secondary Career Roadshows
  - Tertiary Career Expos
  - Community events
- Support Science Achievement
  - 253 Secondary school students actively supported between July 2019-Jun 2020
  - 121 transitioned from secondary to tertiary (target 40)
  - STAH (Allied Health) Forum (NDHB)
  - Ngāti Whātua Tertiary Summit Expo Dinner and Stall (Auckland)
  - Science for Hauora (Massey Uni)
  - MAPAS mixed mini Interviews (UoA)
  - See the Solutions – Online Science & Maths Tutorials.
- Support Tertiary Success
  - 2,133 Tertiary students actively supported between July 2019-Jun 2020
  - Retention is measured by transition across 2nd year through to final year. As at Dec 2019, 344 tertiary students were represented from Year 2-final year
  - Success is measured on qualification (TBC)
  - MoH - Hauora Māori Scholarship Workshops
  - NZNO Conference
  - Study to Mahi
  - AUT Connections Event
  - Tertiary Support Grants
  - Pihirau Scholarship
  - Tertiary Support Packages
  - Manaaki Pack – Tertiary Engagement
  - UoA, Careers Workshop
  - MAPAS (UoA) Completion Ceremony
  - NorthTec Powhiri & Whakawatea
  - Basic Life Support Training-Nurses.
- Support Tertiary Success
  - 18 x $1,000.00 grants provided to final year students to reduce barriers for transitioning to practice
  - 68 transitioned to employment (target 40)
  - 16 x Māori Midwives
  - 2 x Nurses
- Delivering results
  - Sponsorship grants provided to Māori professional bodies – Hui-A-Tau
  - Kia Ora Hauora Regional reference group – representative of tertiary institutions in the northern region
  - Northland DHB Nursing Workforce Development Group
  - Auckland Metro workforce development groups across the three DHBs.

Northland DHB Organisation Orientation has welcomed 399 new employees this year. During COVID-19, face-to-face welcome was unable to occur, therefore an online learning course was designed, developed and implemented. From April 2020, 81 new employees completed this "virtual" welcome.

OUR PEOPLE

Employee Development, Promotion and Exit

Northland DHB recognises that achieving equity within the New Zealand health system is a priority. We require our workforce to be mindful of this. Evidence shows patient outcomes improve when they are treated with a higher level of cultural safety, and cared for by a skilled workforce that reflects the community we serve. Te Kaupapa Whakaruruhau / The Māori Health Cultural Quality Programme provide opportunities to gain cultural competencies. Northland DHB has also committed to implementing an equity lens over the organisational onsite training.

Northland DHB has a comprehensive onsite and online training programme which staff are encouraged to take advantage of. External training courses, conferences and workshops are also available to build capability and support career and personal development objectives.

We provide medical staff with continuing medical education (CME) support and nursing and midwifery staff with professional development recognition programmes. Health Workforce NZ funding continues to be provided for postgraduate study for nursing and midwifery and the non-regulated workforce.

Northland DHB's turnover has reduced from 11.3 percent to 9.9 percent. The national average is 11.0 percent. An online confidential Staff Exit Survey is offered to all department staff, along with the opportunity for 'face to face' exit interviews.

Achievements in 2019-20 include:

- A 'first 30 day' survey was designed and developed to ascertain new employees' on-boarding experience
- 52 internal organisational course events in 2019/20 were provided, seeing 2,824 overall attendances. Courses included cultural, leadership and communication skills. These courses are also open to Hospice and our Mahitahi Hauora Primary Care Entity partners
- e-learning development and implementation continued to enable greater access to our primary healthcare and community partners to share learning, communication, knowledge transfer and skill development. This supports best practice across Northland DHB and the wider health sector
- 52 e-learning courses specifically for the Northland workforce, these range from clinical and non-clinical. With 12,106 completions over the last 12 months. The Northland workforce has wider access to other DHB e-learning courses within the Ko Awatea network
- The registered nursing graduate programmes (NETP & NESP) support the transition of new graduates in their first year of practice. The aim of the programmes is to improve the recruitment and retention of new graduates into the workforce, with a focus to 'grow our own' and increase the Māori Nursing workforce. Recruitment of new graduate nurses align with the national Advance Choice Employment (ACE) recruitment process, of which 90% of applicants are employed (ACE report, 2020)
    - Northland employed 94% of nursing applicants into their new graduate programmes
    - There was a total 56 people across both programmes with 30% identifying as Māori
    - The Nursing & Midwifery Directorate works in a collaborative manner with the local nursing school and Kia Ora Hauora looking at the pipeline development, nursing workforce demands, whilst applying an equity lens for Māori students
    - The 18 month Enrolled Nursing Diploma commenced at the beginning of the year with demand for the course to include a second intake in July. Newly graduated enrolled nurses will participate in the Enrolled Nurse Support Into practice (ENSIP) programme and seek recruitment into employment through ACE
- Ngā Manukura o Āpōpō – the national Māori nursing and midwifery workforce programme is now in its 17th year. This programme is sponsored by the Northland DHB Acting Director of Nursing and Midwifery and in partnership with the National Māori Hauora Coalition
- The Post graduate funding was distributed across the primary and secondary health sectors with the aim to support completion of qualifications, Nurse Prescribing and Practitioner pathways and funding for Māori
    - Three papers were delivered locally here in Whangarei with the view to add Māori and rural focus papers by 2022
    - The Covid-19 pandemic provided some challenging issues, as well as the absence of the post graduate coordinator at that time
    - Face to face class room study days were replaced with Zoom teaching sessions and online exams
    - A small increase in withdrawals was seen in the first semester 2020 directly related to the Covid-19 pandemic, due to increasing workplace demands; however, a 100% pass rate was achieved of those who continued to study during that time
    - A new post graduate coordinator has been appointed
- Northland DHB continue to support the Health Care Assistant NZQA Certificate in Health & Wellbeing Level 3
    - To date 77 participants have enrolled and completed with 100% pass rate
    - 35% identified as Māori
- In 2019/20 a further three staff members were in receipt of the JRBM scholarship fund which was set up in 2018/19. This fund was established to support and encourage tertiary health studies for internal staff working in the unregulated workforce
- The average length of service at Northland DHB is 7.8 years.

Flexibility and Work Design

Northland DHB operates 24 hours a day, seven days a week, providing full-time and part-time opportunities. Flexible work hours based on employee needs and the requirements of the position are available. Any specific impairment is recognised and is suitably provided for where possible.

Northland DHB has fostered an environment where our key partners can evolve the development of a primary care health system across Northland that eliminates health inequities for Māori, promotes wellbeing and self-determination, provides value to the system and measures success through achieving population outcomes across a health and social care spectrum.

Northland DHB continues to be committed to a holistic primary-secondary partnership. This includes working closely with the Primary Health Entity Mahitahi Hauora which was formed from representatives of the previous Primary Health Organisation boards as well as community and iwi representatives and the DHB Chief Executive as a non-voting member.

The national COVID-19 Alert Level in March saw the DHB, amongst many other health organisations, move into an Incident Management phase. During this phase many services were either established or enhanced in order to support the wellbeing of our workforce and community. A working group was tasked with resource planning in order to create a pool to deploy within the organisation or to external facilities such as Aged Residential Care. This was multifaceted and included a call out to our community via Expressions of Interest to the public on our Northland DHB website. There was a good response across all workforces from nursing, allied health, support and administration.

Achievements in 2019-20 include:

- An application to identify staff availability and 'hidden' competencies across the sector. The Staff Deployment team was developed to support surge requests, providing our Integrated Operations Centre (IOC) and Incident Management Team with real-time access to availability and competencies
    - o The application included contractors' and volunteers' details
    - o Provides ongoing planning support for future pandemic surges, winter requirements and/or local disasters
- The Calderdale Framework has been introduced across Northland DHB with nine clinicians across Allied Health completing the Calderdale Framework Facilitator training
- The Calderdale Framework is a clinically led workforce development tool to facilitate a 'best for patient, best for system' approach. It provides a delegation model for assistants and other support workers, and a workforce model for skill sharing across professions in the team
- Zoom use has increased dramatically during March COVID and is now well established as the preferred video communications tool for clinical use, team communications and remote working
- A Telehealth policy was developed in collaboration with the Northern Region DHBs. Guidelines for outpatient clinics have been developed for clinicians and booking clerks
- A new mobile RITA (Rapid Information Telehealth Assessment) unit was provided for Rawene hospital which links in with the wider RITA network linking the rural hospitals to Whangarei ICU. We have also been working with the Department of Corrections to introduce RITA in the Ngāwhā Corrections Facility before the end of 2020
- Two new types of Primary Care led Multi-Disciplinary Team meeting have been introduced. Te Mahuri which is a child health focused multi-disciplinary and multi support provider meeting, and GP Review Clinics which are a GP to specialist case review format have been successfully piloted and are now transitioning to business as usual.

Calderdale Framework clinical workforce.

OUR PEOPLE

Remuneration, Recognition and Conditions

Northland DHB adheres to the good employer requirements in section 118 of the Crown Entities Act 2004 which covers:

- Good and safe working conditions
- An equal employment opportunities programme
- The impartial selection of suitably qualified persons for appointment
- Recognition within the workplace of the aspirations and needs of Māori, other ethnic or minority groups, women and people with disabilities and/or impairments.

The concept of the 'good employer' is bound up with the principles of natural justice and requires employment procedures to be 'fair in all circumstances'. Northland DHB recognises that all individuals and groups should have opportunities without barriers or biases.

Northland DHB's workforce is covered by 22 collective employment agreements. This increased from 21 in previous years with First Union now included which covers the Renal Driver workforce.

A smaller proportion of staff are on individual employment agreements. Transparent job evaluation criteria, developed in consultation with relevant unions, are in place for a range of employee groups. This includes specific merit programme criteria which are available for most employee groups.

Achievements in 2019-20 include:

- International Nurses Day and International Day of the Midwife was recognised and celebrated in May 2020 with care packages being distributed throughout the DHB.

Harassment and Bullying Prevention

Northland DHB's zero tolerance to bullying and harassment is reinforced by policy, training and support, which are provided to all staff with clear guidelines outlined in the Managing Unacceptable Behaviour in the Workplace Policy.

Achievements in 2019-20 include:

The 'DATIX' electronic reporting tool continues to be the vehicle for reporting incidents of alleged violence, bullying and harassment. We have continued engagement with our union partners to refine and increase confidence in the tools and process to ensure that all employees are safely able to raise concerns.

Health, Safety and Wellbeing

Northland DHB is committed to providing a culturally and physically safe and healthy workplace for all employees, patients, whānau, visitors and other workers. The organisation is required by legislation and contractual obligations to have effective emergency and corporate risk management systems and processes in place.

In 2019/20 Northland DHB incorporated 'Wellbeing' into the organisational Values as the organisations seeks to improve work life in addition to the traditional aims of enhancing patient experience, improving population health, and reducing costs.

Achievements in 2019-20 include:

- Reducing the number of Lost Time Injuries continues to be a focus for the organisation. The number of lost time injuries for 2019/20 was 39. The frequency rate (8.3) remains significantly below the national (10.4), northern region (11.3) and medium sized (12.0) DHB average benchmarks
- Northland DHB commenced using Safe365, an online tool that provides the ability to continuously assess, improve and monitor workplace health, safety and wellbeing capability, culture, performance and engagement
- Northland DHB adopted the Protective Security Requirements (PSR) framework to improve security governance and personnel and physical security. An independent security review was undertaken in March and a programme of work established based on a set of recommendations. A new Steering Group has been established to oversee the work programme and performance against the PSR framework
- 78 percent of staff from across all our hospitals and worksites vaccinated against seasonal Influenza. This uptake was key in managing Influenza disease and in controlling its spread to patients and within our community
  - Recruited and trained over 60 in-team vaccinators
- The 2019/20 Health and Safety objectives for the Executive Leadership Team and Board were achieved
- ACC Partnership programme achieved ACC Accreditation Tertiary Level 2019-2020
- The organisation contracted WorkAon in November 2019 to manage all the Northland DHB Injury Management claims
- The organisation continued the pre-employment flow through the COVID-19 period as well as over 200 vulnerable worker COVID-19 assessments and well as assisting the Nursing and Midwifery Directorate to process and assess COVID-19 response staff
- In 2019/20 Northland DHB was the first DHB to subscribe to the Mayo Clinic Wellbeing Index. The Index provides strategies to promote staff wellbeing. It supports shared responsibilities between employee and employer. It cultivates a productive solution of awareness, engagement and resources
  - Senior Medical Officers have displayed high engagement with the index since it was rolled out to this workforce in February 2020
  - Nursing & Midwifery, Allied Health, Resident Medical Officers, Support, Management and Admin received their first invite June 2020
- The Workplace Violence Prevention Advisory Group has strengthened in their commitment over the last 12 months to eliminate workplace violence and support staff safety. A Workplace Violence Prevention based on the organisational Values was adopted including:
  - The Workplace Violence Prevention (WVP) Framework supports the embedding of the organisational values within the WVP Programme alongside highlighting key focus areas and recommendations
  - While the 2020 COVID-19 restrictions have caused some limitations with the roll out of the CALM - Workplace Violence Is Not OK workshops which focus on effective communication as a key de-escalation tool and the importance of reporting workplace violence; there has been good participation from clinical and non-clinical staff
- The Calm Course has seen eight events over the last 12 months
- 67 staff have attended
- An online introduction to CALM Communications has had 244 completions

- The Emergency Department (ED) Whangarei Hospital Staff WVP Pilot project took place over a six-month period in 2019 and prioritised supporting ED staff in developing their WVP plan based on their experience of the levels of workplace violence in ED, in particular physical and verbal aggression
- The WVP communication plan has been developed and highlights the organisational values and reiterates the 'Workplace Violence It's Not OK' theme throughout the messaging
- A Workplace Violence Reflection & Review tool has been developed to support managers to review workplace violence related adverse events
- A Workplace Violence Risk Assessment & Analysis (Audit) tool with generic controls has been trialed and adapted for use in the Northland DHB context.

In June 2020 Northland DHB chose to mark Matariki week with an inaugural week-long selection of celebrations and events.

Northland DHB's Values were an integral part in developing these initiatives during the Level 4 COVID-19 lockdown:

- A wide range of self-help resources
- Consistent wellbeing messages
- Various immediate access to phone, face to face and online support
- Access to brief psychological interventions
- Accommodation for staff
- COVID-19 Debrief and Recovery Sessions.

All of the above was determined collaboratively by a representative of the workforce in a pre-COVID-19 lockdown hui.

Workplace Violence It's Not OK' campaign.

Endoscopy Suite photo gift - Otaika Bush Track– M Hartley with her children

WHAT ARE WE TRYING TO ACHIEVE?

Our Vision of "He Hauora Mo Te Tai Tokerau - A Healthier Northland."

Our mission is to work together with Northlanders in partnerships under Te Tiriti o Waitangi to:

- improve population health and equity
- improve patient experience
- improve staff wellbeing and sustainability
- achieve value and financial sustainability.

Living Our Values for Safety, Health and Wellbeing

Tāngata i te tuatahi
People First

- He whakapapa, he mokopuna, he tamariki, he mātua, he tūpuna. He aha te mea nui. He tāngata, he tāngata, he tāngata
- Our people are central to all we do

Whakaute (tuku mana)
Respect

- He whakaaro nui ki ētahi atu
- We treat others as they would like to be treated

Manaaki
Caring

- Ko te manaaki – he whāngai, he kākahu, he ropiropi. Akona e te whānau whānui
- We nurture those around us, and treat all with dignity and compassion

Whakawhitiwhiti Kōrero
Communication

- Whakawhitiwhiti kōrero i runga te tika, te pono me te aroha
- We communicate openly, safely and with respect to promote clear understanding

Te Hiranga
Excellence

- Kia kaha, kia māia, kia manawa nui
- Our attitude of excellence inspires confidence and innovation

Our Values

HAVE WE MADE A DIFFERENCE?

Structure of the Statement of Performance

The Outcomes Framework describes how the measures used in the Statement of Performance relate to national outcomes.

The first main section, Performance on Outcome Measures addresses whether we are making a difference to the health of our population. Its measures address the whole Northland population or significant groups within it. Outcome Measures have a long-term focus because the factors that affect them typically take years to change and often lie outside the direct influence of the health system.

The second section, Performance on Output Measures, covers services or behaviours that contribute to the outcomes. Changes to the way services are provided have more immediate impacts, so we monitor performance against them annually or quarterly.

Outcomes Framework

<table>
<tr><td rowspan="2">National</td><td>MoH Purpose and Role</td><td colspan="5">Improve and protect the health of New Zealanders</td></tr>
<tr><td>MoH Strategic Priorities</td><td>Improve health outcomes for population groups with a focus on Māori, older people and children</td><td>Improve access to and the efficacy of health services for New Zealanders</td><td>Improve outcomes for NZers with long term conditions, with a focus on obesity and diabetes</td><td>Improve our understanding of system performance</td><td>Implement our investment approach</td></tr>
<tr><td rowspan="9">Northland</td><td>Vision</td><td colspan="3">A Healthier Northland</td><td colspan="2">He Hauora Mo Te Tai Tokerau</td></tr>
<tr><td>Mission</td><td colspan="5">Achieved by working together in partnerships under Te Tiriti o Waitangi to:</td></tr>
<tr><td></td><td colspan="2">Improve population health and equity</td><td colspan="2">Improve patient experience</td><td>Improve staff wellbeing and sustainability</td><td>Achieve value and financial sustainability</td></tr>
<tr><td>Outcome Measures</td><td>Life expectancy gap between Māori and non-Māori reduced by 2 years</td><td>Unplanned hospital admissions for Northlanders reduced by 2,000 by 2017[1]</td><td>>95% of patients report they would recommend the service provided</td><td>Reduce gaps between:
(a) Māori and non-Māori
(b) Northland and NZ</td><td>Decrease in infant mortality</td><td>Mortality rate, age-standardised</td></tr>
<tr><td>Output Measures</td><td>Adults who are current smokers
Full and exclusive breastfeeding at 3 months
8-month-olds fully immunised
Breast cancer screening
Cervical cancer screening</td><td colspan="2">Obese children offered a referral to a health professional
Ambulatory sensitive hospitalisations ages 0–4
Average number of decayed, missing or filled teeth in Y8 students
Good blood sugar management in diabetics
Eligible people receiving CVD risk assessment in the last 5 years
Pregnant women given brief advice and support to stop smoking</td><td colspan="2">Faster Cancer Treatment 62-day indicator (time between referral and first treatment)
% of people with enduring mental illness aged 20–64 who are seen over a year
Elective surgical discharges
ED patients with length of stay less than 6 hours
Quality measures (hospital falls, surgical site infections, hand hygiene, patient deterioration)</td><td>HCSS clients assessed using interRai tool
HCSS providers certified
ARRC providers with at least 3-year certification</td></tr>
<tr><td>Output Classes</td><td>Prevention</td><td>Early detection and management</td><td colspan="2">Intensive assessment and treatment</td><td>Rehabilitation and support</td></tr>
<tr><td>Enablers</td><td>Workforce</td><td>Information technology</td><td colspan="2">Quality systems</td><td>Financial management</td></tr>
</table>

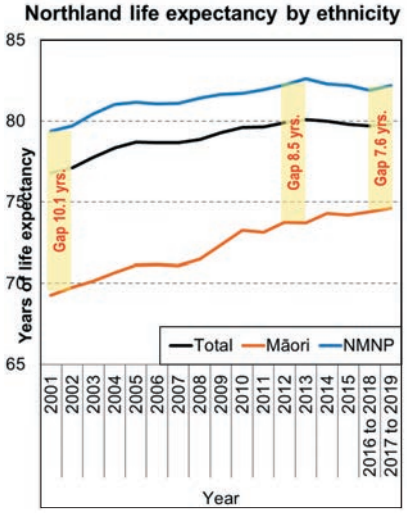
[1] The target is drawn from the Northland Health Services Plan whose timespan ran until 2017. Although no longer current, it is being retained as a high-level measure until our Strategy is developed during 2019/20.

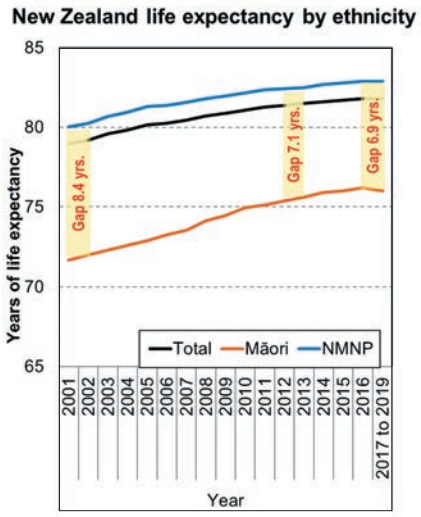
Performance on Outcome Measures

We are either making gains or holding steady in all of our outcomes. The gap between Māori and non-Māori is reducing for life expectancy and infant mortality, and there are indications it may be reducing for overall mortality as well. Patient satisfaction continues to improve, and there have been minimal increases in acute discharges from hospital in the face of significant and growing demand pressures.

Equity for Māori is still our biggest deficit however. In Northland, Māori live on average 7.5 years less than non-Māori, and Māori mortality (adjusted for their different age structure) is about half as high again.

Life expectancy





Between 2012 and 2018 Northland life expectancy increased gradually for Māori (from 73.7 to 74.6 years) and but remained stable for non-Māori, non-Pacific at 82.2 years) and the gap between them reduced by about a year from 8.5 to 7.6 years. New Zealand data shows a similar picture, though life expectancy for each ethnic group is higher by a year or two, a gap that has shown no real change over the years.

Life expectancy at birth is a high-level measure of the health of the population. About 40% of health status is due to social and economic factors such as education, income, employment and housing (another 30% relates to individual behaviours, 20% is due to the influence of the health system and the other 10% is driven by genetics). Northland is acknowledged to be one of the most deprived regions of New Zealand, and Māori are overall more deprived than non-Māori.

Infant mortality has a significant effect on the final life expectancy calculation; as the next heading shows, Northland's figures for infant mortality are poorer than the national average.

A key influence on length of life is how we live it. Two of the most harmful factors are smoking and obesity, which cause some of the most prevalent lifestyle-related conditions such as heart disease, diabetes and cancers.

The government has set a national target of no more than 5 percent of the population smoking by 2025. In Northland smoking rates have been declining satisfactorily towards this for non-Māori (from 13.3 percent in mid-2015 to 11.0 percent in mid-2020) but not for Māori (35.1 percent to 33.3 percent over the same period). Northland has a number of initiatives and services aimed at preventing smoking uptake and supporting people to quit. Advice is provided to smokers in hospital and the community, with particular focus on pregnant women. Nationally, the historical reduction in smoking rates has been influenced by the Government's policy of planned price rises.

Obesity in Northland is a serious problem, worse now than smoking. 81% of Maori are either overweight or obese, compared with 62% of the total population.

Northland's health service providers have numerous initiatives aimed at encouraging healthier behaviours that go some way towards reducing the problem; obesity is the target of the Under 5 Energize programme, Project Energize (aimed at school ages), advocacy on sugar-sweetened beverages, and the Northland Food Rescue Service.

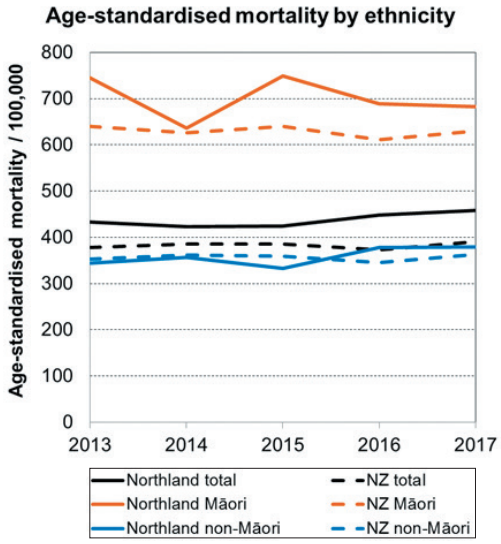
About the data. Life expectancy data is traditionally sourced from Statistics New Zealand, but they produce it only every five years. The estimates presented here are calculated by the Auckland and Waitematā DHBs' joint Planning, Funding and Outcomes team, using methodology that aligns with that of Statistics New Zealand. It uses a three-year aggregation of deaths and population to smooth out random yearly variations that can occur in numbers of deaths in some age groups and ethnicities. Life expectancy for '2017' includes preliminary data for all deaths registered in 2017, 2018 and 2019, and the 2018 update to the official DHB population projections. This latest analysis slightly revises data for the last few years, because they can now use population estimates revised in the light of 2018 Census (previous population estimates used a 2013-Census base).

Life expectancy data normally lags three or four years behind because the mortality data required for the calculations lags behind by that much; it is not released until all causes of death have been verified by coronial processes. The life expectancy data used in the SP uses preliminary mortality data for the last two years, which should make no difference to the calculations because unresolved causes of death comprise tiny numbers.

Life expectancy in Northland 2012-2017 increased for both Māori and non-Māori. The ethnic disparity has increased very slightly since last year, but is nearly one year less than in 2012.

HAVE WE MADE A DIFFERENCE?

Mortality overall



Age-standardised mortality rates for Māori in Northland have historically been about twice that of non-Māori. Encouragingly, in three of the last four years this ratio has dropped to 1.8, though we can't be confident this indicates a downward trend because the smaller Māori population means their rate varies considerably over time.

The Māori rate is higher principally because of earlier onset of diseases and lower rates of access to and use of primary care services. Among the reasons are:

- Māori have higher rates of smoking and obesity
- these are associated with earlier onset of long-term conditions such as heart disease and cancers
- generally Māori do not attend their GP as often as non-Māori, and the most frequently cited reason for this was cost (16% of Māori, 11% of total population)
- 16% of Māori do not pick up their prescriptions (compared with 8% of non-Māori).

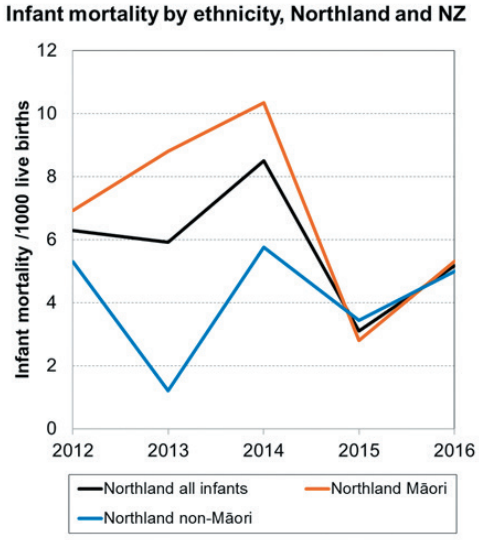
Mortality rates among Māori are about twice that of non-Māori.

Reasons include earlier onset of long-term conditions and lower rates of access to and use of primary care services.

Recent years have seen an increased emphasis on services that intervene earlier in long-term conditions so they can be better managed. Advice to smokers is given in primary care and hospital. Faster cancer treatment has been a focus, colonoscopy rates have risen, people have CT and MRI scans more quickly, access to services for stroke and acute heart conditions has improved, and primary care has continued to perform cardiovascular and diabetes risk assessments. Many practices in Northland have adopted the Neighbourhood Healthcare Homes model which among other things allow practices to deal with many lower-need patients by telephone instead requiring face-to-face visits, thus improving access for patients with higher needs.

About the data. Numbers of deaths were taken from the Ministry of Health's Mortality Data Tables, rates per age group were calculated, and the resulting numbers standardised as if both Māori and non-Māori populations had the same age structure (if this wasn't done the younger age structure of Māori would mask the higher proportion of deaths they experience in middle age). The resulting mortality rates are not 'real', but they can be compared.

Infant mortality



Infant mortality among Māori in Northland is higher than among non-Māori.

Northland's rates for both ethnicities are higher than New Zealand's.

[2] https://minhealthnz.shinyapps.io/nz-health-survey-2014-17-regional-update/_w_4c189ce8/_w_e1c52be8/#!/compare-indicators
[3] https://minhealthnz.shinyapps.io/nz-health-survey-2014-17-regional-update/_w_4c189ce8/_w_e1c52be8/#!/compare-indicators
[4] Ibid

Infant mortality continued

Historically, Māori infant mortality in Northland has been higher than non-Māori, though the most recent data shows a convergence.

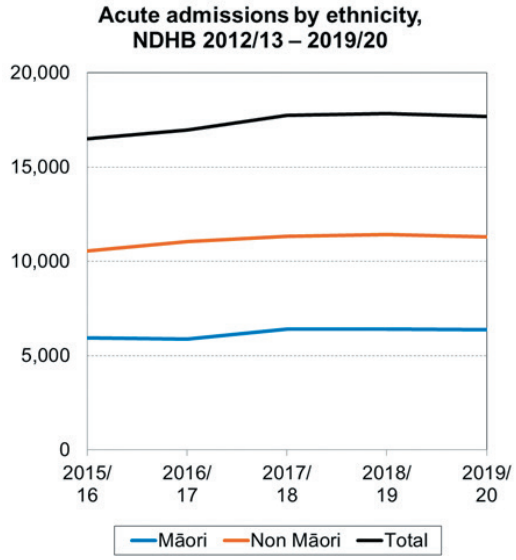
Low numbers of infant deaths in Northland create volatile numbers, although it appears as if the long-term trend is gradually downwards.

Northland health services have been making strenuous efforts in recent years to improve the health of infants, particularly Māori. Although Northland has not yet met the immunisation Health Target because of the high rate of parental declines (about 10 percent), the Māori rate among 8-month-olds has been about the same as that of non-Māori.

Breastfeeding contributes to creating healthier, more resilient babies; Māori coverage at three months is well below target at 53 percent, and much lower than the non-Māori 72 percent (the gap has remained fairly steady over the past four years). Rates of sudden unexpected death of an infant (SUDI) have decreased in the wake of risk factor assessments and the adoption of safer sleeping practices for babies. Northland also has the 'High Five' notification form that tells a mother post-birth about enrolment of their baby in the five key service providers.

About the data. Data comes from the Ministry of Health. This year's dataset has not yet been updated from last year's.

Acute admissions to hospital



Acute admissions rose by only 2 percent per year between 2013 and 2020.

Acute Māori admissions increased by about 1 percent annually.

Original goal underestimated the population's growth and ageing.

In 2012, the Northland Health Services Plan (NHSP) set an ambitious goal of reducing unplanned readmissions by 2,000 by 2017. The intention was to monitor how well conditions, especially long-term conditions, were being managed by primary care services. There is no set definition of an unplanned readmission so as a proxy we decided to measure acute discharges because these patients appear urgently and without forewarning (in contrast to elective admissions that can be planned ahead of time).

Over the five years of the NHSP (2012/13 to 2016/17) acute discharges increased from 15,850 to 16,957, or 7 percent. Since then they have risen further to 17,693, a 12 percent increase since the base year.

The percentage of acute admissions who were Māori has remained steady at about 36 to 37 percent between 2012 and 2020.

Restricting acute demand growth to 12% over these seven years is quite an achievement in the context of the population growth Northland has experienced over that time. Not only did the total population increase by 27% between 2013 and 2020, but even greater growth was experienced by Māori (71%) and older people (36%), population groups that are known to be drivers of acute demand and complexity.

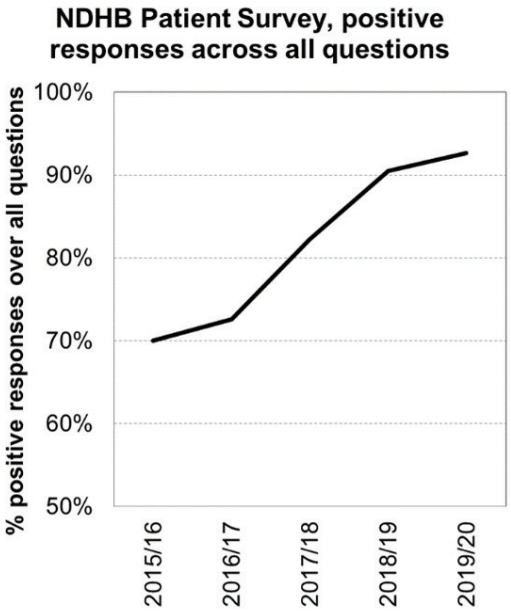
While the long-term trend is clear, the numbers in 2019/20 dropped slightly (from 17,840 to 17,693) because of the COVID-19 lockdown, which resulted in smaller numbers of patients coming to ED, particularly children. It is thought this is due to a number of factors, though these have yet to be tested against data: less travel so reduced motor vehicle accidents; fewer outings so older people had fewer trips and falls; no sport so fewer injuries; colds, flus and virus weren't being spread because workplaces and schools weren't open and there were no unscreened overseas arrivals; some patients avoided coming to hospital because they perceived a risk of catching COVID-19.

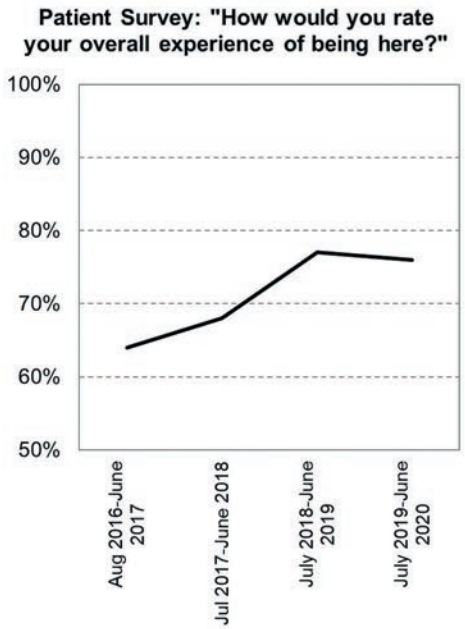
The main source of referrals to hospital is the primary health sector, so its role is key. A core priority of Northland's primary health entity, Mahitahi Hauora, is to eliminate health inequities by targeting resources and improving how services are delivered. Long-term conditions need to be monitored and managed well in the community so that fewer complications arise and there will be fewer acute admissions.

About the data. Data comes from Northland DHB.

HAVE WE MADE A DIFFERENCE?

Patient satisfaction





One of the six Headline Targets in the Northland Health Services Plan (NHSP) was "95 percent of patients report they would recommend the service provided". Performance on this can be addressed through the results of our internal patient survey, which contains a question on 'overall satisfaction' as well as questions covering a range of issues relating to a stay in hospital.

Since 2016/17 the score on the overall question of "How would you rate your overall experience of being here?" has increased from 64% to 76%. Across all the detailed questions in the patient survey, the average positive response has risen steadily from 73 percent in 2016/17 to 93% in 2019/20.

Comparison of these results with the NHSP question is tricky because the wordings are different. The results are also not comparable because the NHSP target focused on total positive responses, whereas the patient survey uses the more stringent Net Promoter Score (described in 'About the data').

About the data. Data comes from Northland DHB. The Ministry of Health, through the Health Quality and Safety Commission, has a different patient survey that forms part of the System Level Measures. MoH prefer their survey because it is applied to all DHBs and provides a consistent basis for comparison. However, it has a low response rate (about 20 percent), so we prefer to use our own internal survey, which has similar questions, because its larger sample size makes it more valid and reliable.

The percentages quoted are Net Promoter Scores, derived by subtracting total 'detractor' responses (0–6 on a ten-point scale) from the total 'very satisfied' (9+10); 7s and 8s are ignored.

Data for 2019/20 covers July to February; data was not collected in other months because of the COVID-19 lockdown.

Positive responses to the overall satisfaction question have changed little from last year.

Positive responses across the detailed questions rose by 2 percent.

Extension to the date DHBs are required to finalise and publish 2020/21 Statements of Intent

Legislation passed on 30 April 2020 allowed Ministers to extend the time for meeting planning requirements that apply under the Crown Entities Act 2004 by up to three months due to the impacts of Covid-19. The relevant extension was repealed on 1 October 2020.

The Minister of Health agreed to extend the timeline for DHBs to finalise and publish their 2020/21 Statement of Performance Expectations (SPE) to 15 August 2020. The extension would also have applied if we decided to prepare a Statement of Intent, though there was no obligation to do so for 2020/21.

The extension was granted to reflect the revised timelines agreed for finalising 2020/21 DHB annual plans due to Covid-19 impacts, and to ensure quality SPE and SOI documents were produced that aligned with DHB annual plans and appropriately reflected Covid-19 recovery.

As required by the legislation, we will also publish on our website a notice about the delay and the Minister's reasons for granting it.

STATEMENT OF PERFORMANCE

Performance on Output Measures

The Statement of Performance is a snapshot of how the services provided for the Northland population have been performing. It is divided into four output classes that cover the spectrum of services from those promoting health in the population, through primary and community care to hospital services and later-in-life care.

The Statement of Performance assesses how well we have done this year compared with the targets set during the previous year's planning cycle. The measures selected are a combination of national priorities (including all the Health Targets) and local priorities. Collectively they contribute to the high level outcomes described in the previous section. We have tried to keep the number of measures small by choosing a representative sample of key ones, while still covering the breadth of services.

The measures do not cover just Northland DHB's services. DHBs are legislatively responsible for the health of their populations, so as well as providing services ourselves we contract with, monitor and evaluate other service providers in the health sector. Many of the measures, especially those in the first two output classes, describe performance outside the DHB.

Data from 2018/19 appears in two places in the tables. The 'baseline' columns are copied from the 2019/20 Statement of Performance Expectations, which had to be prepared before 2018/19 ended so the data does not cover the whole year. The '2018/19 result' column captures data for the whole year, as reported in the Annual Report for that year.

Performance during 2019/20

Northland DHB has a total of 25 SOI performance measures for 2019/20. During the year 8 target measures were exceeded, 14 were below target (though 4 had improved from the previous year) and 3 can't be assessed because of data issues.

The COVID-19 pandemic has affected several performance measures; the nature of the impact is described in the narrative for the relevant performance measures.

Achievement ratings

Achieved	Substantially achieved	Not achieved but progress made	Not achieved	No conclusion can be drawn
Target met or bettered	*Within 5%[5] absolute of target*	*More than 5% absolute from target, but progress made*	*Not achieved*	*Problems with data availability, changing definitions etc.*

Output Class 1: Prevention

Publicly funded services that protect and promote health across the whole population or particular subgroups of it. These services improve the health status of the population, as distinct from curative and rehabilitative services (the other three Output Classes) which repair or support illness and injury.

The Output Class includes:

- health promotion to prevent illness
- statutorily mandated health protection services to protect the public from toxic environmental risk and communicable diseases
- population health protection services (immunisation, screening etc.)
- well-child services.

Nga Tātai Ihorangi - Me whakapapa te ora - Immunisation is one way to protect your whakapapa.

[5] For most measures 'within 5%' means within 5% of the target (eg 91% achievement for a 95% target). When targets are a small percentage (eg the mental health measure has two targets of less than 10%) or a small number (the oral health measure, some of the quality ones) a different sort of 'close to target' assessment is required. How that is addressed is described in footnotes.

STATEMENT OF PERFORMANCE

Output Class 1: Prevention

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achieve-ment
		Period	Data				
% of Northland adult population who are current smokers [6]	Total Māori Non-Māori	2018/19	18.3% 33.9% 11.4%	18.2% 33.6% 11.3%	16.1% 28.5% 10.7%	18.1% 33.5% 11.0%	● ● ● [7]
Full and exclusive breastfeeding at 3 months	Total Māori Non-Māori	2018/19 to Nov	65% 55% 73%	63.8% 52.7% 73.9% [8]	70%	63.0% 52.8% 71.8% [9]	● ● ●
% of 8-month-olds who are fully immunised	Total Māori Non-Māori	2018/19 to Q2	82.6% 81.5% 83.6%	82.6% 81.4% 83.9%	95%	83.6% 82.7% 84.6%	● ● ●
Breast cancer screening in eligible populations	Total Māori Pacific Asian Other	2018/19 to Sep	70.0% 70.4% 60.5% 47.4% 71.1%	71.2% 73.5%) 70.4% [10])	70%	60.9% 61.6% 59.8% [11] 60.6%	● ● ● ●
Cervical cancer screening in eligible populations	Total Māori Pacific Asian Other	2018/19 to Sep	75.5% 70.7% 64.2% 55.8% 79.9%	72.2% 71.2%) 72.6% [12])	80%	66.3% 60.0% 58.4% 62.5% 70.2%	● ● ● ● ●

Further information on results	
Current smokers	NZ has a target of 5% smokers by 2025. In Northland, smoking rates are declining among non-Māori almost in line with this, but the Māori rate is not declining fast enough. To address this, client data from Stop Smoking Services (SSS), Youth Health Clinics and Māori Antenatal Programmes is included in the primary health care data. SSS targets Māori, so this data captures Māori who have received brief advice but who have not accessed a GP during this time.
Breastfeeding at 3 months	Even though the 70% target is unachieved we are in the top few DHBs for all population, Māori and high deprivation measures. Equity for Māori is addressed by developing Nga Wānanga o Hine Kōpū – Hapu Mama Antenatal Wānanga where midwives provide specifically targeted breastfeeding education and advocacy amongst other kaupapa.
8-month-old immunisations	Over 80% of parents choose to vaccinate their children in Northland. More than 10% of parents are classed by the Ministry of Health as 'decline or opt-off', meaning they decline to have their children immunised or choose not to allow them to appear on the National Immunisation Register. Reasons for this include parents who are well informed and make a rational choice, those who remain adamantly opposed to immunisation, those who experience barriers to accessing services, and families who are under so much stress (because of poverty of income, food or housing) that immunisation is not a high priority. Northland continues to implement multiple strategies to improve our coverage, including: · Immunisation Outreach Service covering all of Northland · robust systems to ensure all children have an opportunity for vaccination; children are identified and provided with support to GP and or Outreach Service for timely vaccination · increased access to vaccination including an all-day clinic in central Whangarei and Public Health Nurses providing opportunistic vaccination · communications to promote immunisations as safe and best protection against communicable disease.
Breast cancer screening	The drop in performance is in part attributable to COVID-19, compounded by eligible populations being revised significantly and suddenly upwards. Until 2018 Census data was released, eligible populations defined by the National Screening Unit had been based on 2013-based projections, the best information available at the time. The new data showed population increases for Northland that were greater than expected, so the eligible population was revised upwards, and services are now playing catch-up. We are close to finalising the recovery plan for Breast Screening which includes allowing for the new populations.
Cervical cancer screening	As with breast screening, the pandemic lockdown meant fewer women were able to visit services for screening. Cervical screening is a sensitive subject for many women, and Northland's geography creates an additional challenge. A Steering Group meets quarterly with expertise from across the health system to identify opportunities to improve cervical screening rates. To reach priority women, an additional track and trace function is supplied through Support To Services.

[6] Smoking rate data, sourced from primary care providers, isn't perfect because it relies on general practices to keep their records up to date, but it is available regularly (every quarter) and PHO enrolments cover more or less the whole population. The NZ Health Survey also has data on adult smoking but it is produced infrequently and each set of data covers several years so it is not useful for regular monitoring.

[7] Assessed as 'within 5%' because the gap is 0.3%, which is 2.8% of 10.7%.

[8] Data is for the first six months of 2018/19, which so far are all that is available.

[9] Data is July-Dec 2019, the latest that is available.

[10] In the 2018/19 SP the third ethnic category was 'non-Māori, non-Pacific' which doesn't directly compare with the ethnic groups used in this year's SP.

[11] Data for Asian women is no longer produced. It was in quarterly reporting data until 2018/19 Q2 but hasn't been since, and has never been reported in the National Screening Unit's reports by DHB. As a result, the 'other' in the baseline data doesn't match the 'other' in the 2019/20 result.

[12] In the 2018/19 SP the third ethnic category was 'other' which consisted of non-Māori, non-Pacific, non-Asian, which is the same as this year's 'Asian' plus 'other'.

Output Class 2: Early Detection and Management

'Primary' or 'community' services, that can be directly accessed by people in the community. They are delivered by a range of providers including general practice, Māori health providers, pharmacies, and oral health services. The services are generalist (non-specialist) in nature and similar types of services are usually delivered in numerous locations across the community.

The Output Class includes:

- primary health care
- oral health
- primary community care programmes
- pharmacy services
- community referred testing and diagnostics (laboratory and imaging services)
- primary mental health services.

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achievement
		Period	Data				
95% of obese children identified in the Before School Check programme will be offered a referral to a health professional	Total Māori Non-Māori	2018/19 to Q2	99% 98% 100%	99.3% 99.0% 100.0%	95%	100% 99% 100%	● ● ●
Ambulatory sensitive hospitalisation rate per 100,000, ages 0–4, unstandardised	Total Māori Non-Māori Equity Gap	2018/19 to Q2	7,728 9,352 5,767 (21% gap)	7,708 9,291 5,798 (60% gap)	9,072	7,019 8,170 5,587 (46% gap)	●[13]
Average number of decayed, missing or filled teeth in Y8 students	Total Māori Non-Māori	2018	1.12 1.64 0.67	1.12 1.64 0.67	0.98	1.14 1.60 0.67	● ● ●
Good blood sugar management in diabetics (≤ 64 mmol/mol)	Total Māori Non-Māori	2018/19 to Q2	39.0% 33.5% 44.4%	50.2% 37.8% 62.1%	80%	29.5% 25.4% 34.1%	● ● ●
Eligible people receiving cardiovascular (CVD) risk assessment in the last 5 years	Total Māori Non-Māori	2018/19 to Q2	89.4% 85.4% 91. 2%	89.0% 85.0% 90.9%	90%	86.2% 81.9% 88.2%	● ● ●[14]
% of pregnant women who identify as smokers upon registration with a DHB-employed midwife or Lead Maternity Carer are offered brief advice and support to quit smoking	Total Māori Non-Māori	2018/19 to Q2	96.1% 96.5% 93.8%	95.4% 95.4% 95.8%	90%	91.6% 92.1% 90.6%	● ● ●

Further information on results	
Average number of decayed, missing or filled teeth (DMFT) in Y8 students	For many years the provision of oral health services in the Bay of Islands area was subcontracted out by Northland DHB, but we regained provision of these services early last year. All children under Northland DHB's care receive both an annual visual examination and a radiograph, and the DMFT score is calculated once the radiograph has been read. The former provider used only visual examination, and literature tells us that 40% of decay is missed through that method. Now that those children are receiving radiographs, the detection rate of problems with teeth has increased.
Good blood sugar management in diabetics (equal to or less than 64 mmol/mol).	The recent Diabetes Quality Framework Review identified key issues relating to poor figures in blood sugar management. Working groups have been established around immediate actionable items including: · Data to improve accurate reporting and monitoring. · Education and training strategies to support improved management of complex diabetes in primary health care, including insulin initiation, specific professional development of primary care diabetes nurses, the development of shared medical appointments to improve patient access to care, and multidisciplinary team meetings to connect complex diabetes patients, their GPs and specialists in order improve diabetes management. These are also key components of the developing Northland Diabetes Strategy prioritised by the Diabetes Governance Group. The Strategy includes these four broad overarching themes: · Alliance leadership that includes community, primary and secondary care as well as input from the Public Health Unit, Māori Directorate, consumers and community. · Delivery of prevention, promotion and effective lifestyle interventions (patient support groups, education and promotion that is tailored to communities, and models of delivery that encapsulate the Māori world view). A stocktake of existing community diabetes education/prevention and promotion activities is already being undertaken. · Workforce development, training and processes, including competency in the management of diabetes and its complications in primary care. Podiatry is already being supported to develop quality care delivery, and a stocktake is being conducted of previous and existing education and training to support the primary care workforce. · Community-based, integrated models of care with a focus on approaches that incorporate Māori world views and improve the patient care journey, access and equity.

[13] The target (taken from Northland DHB's System Level Measure Plan) applied only to reducing Māori numbers by 3%. Equity gap (Māori minus non-Māori) reduced from 61% in 2018/19 to 46% in 2019/20.

[14] The 2019/20 results can't be compared with previous years – see detailed explanation on the next page.

STATEMENT OF PERFORMANCE

Output Class 2: Early Detection and Management Continued

Further information on results

Eligible people receiving cardiovascular (CVD) risk assessment in the last 5 years

In 2019/20 the denominator population changed; old and new populations are:

Population group		Earlier years	2019/20
Māori, Pacific, South Asian	Males	ages 35-74	≥ age 30
	Females	ages 45-74	≥ age 40
Other ethnicities	Males	ages 45-74	≥ age 45
	Females	ages 55-74	≥ age 65

In addition, the 2019/20 population includes:

- people with known risk factors for CVD (males from age 35, females from age 45)
- anyone with diabetes from the day of diagnosis
- people with severe mental illness from age 25

These changes mean 2019/20's results cannot be compared with previous years. While the year-to-year changes are not comparable, we are acutely aware of the difference in the target shortfall between Māori and non-Māori patients. Activities to close this gap are being developed as part of equity initiatives across all health services.

Output Class 3: Intensive Assessment and Treatment

Specialist services – commonly referred to as 'secondary' or 'hospital' services – delivered by those who work in a particular specialty. They include emergency department, inpatient, outpatient, daypatient, and diagnostic services. They are accessible only by referral from a primary health practitioner and available in few locations. The Output Class includes:

- inpatient services, both acute (treatment is needed now) and elective (treatment can be scheduled at a later date); includes diagnostic, therapeutic and rehabilitative services
- ambulatory services for people treated by a hospital but not admitted as an inpatient (includes outpatient, district nursing and day services) across the range of secondary preventive, diagnostic, therapeutic, and rehabilitative services
- emergency department services including triage, diagnostic and therapeutic services
- secondary mental health services
- secondary maternity services
- assessment treatment and rehabilitation.

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achievement
		Period	Data				
% of patients who receive their first cancer treatment (or other management) within 62 days referred urgently with a high suspicion of cancer and a need to be seen within two weeks	Total Māori Non-Māori	2018/19 to Q2	88.5% 87.3% 89.1%	74.6% 86.2% 70.5%	90%	69.2% 65.7% 71.6%	🔴 🔴 🔴
% of people with enduring mental illness aged 20–64 who are seen over a year	Total Māori Non-Māori	2018/19 to Q2	5.83% 9.40% 4.18%	5.9% 9.7% 4.1%	5.70% 9.24% [15]	6.03% 10.4% 4.03% [16]	🟢 🟢
Increase in elective service discharges	Total Māori Non-Māori	2018/19 to Q3	6,545 [17]	9,001 2,438 6,563	n/a	n/a [18]	n/a
Patients with an emergency department length of stay of less than 6 hours	Total Māori Non-Māori	2018/19 to Q2	84.5% 86.4% 83.4%	84.4% 86.2% 83.2%	95%	84.7% 87.3% 83.1%	🔴 🔴 🔴
Number of in hospital falls causing fracture neck of femur per 100,000 admissions [19]	Total	2018/19 to Q3	4	[20]	0	10.1	🔴
Surgical site infections (SSI) per 100 hip and knee procedures	Total	2018/19 to Sep	1.6	[21]	0	1.03	🟠
% hand hygiene compliance	Total	2018/19 Q1	88.0%	88%	80%	85%	🟢
Patient deterioration: % of patients with early warning scores calculated correctly	Total	2018/19 to Q2	91.6%	[22]	[23]	89%	⚫
Patient deterioration: % of patients who triggered an escalation of care and received the appropriate response	Total	2018/19 to Q2	53.9%			69%	⚫

15 MoH does not require DHBs to set targets for non-Māori for this measure.
16 Reported data lags a quarter behind, so the year covered is 1 April 2019 – 31 Mar 2020.
17 MoH data does not provide an ethnic breakdown.
18 DHBs are no longer monitored against 'elective operations' but under the new Planned Care Initiative developed by MoH. This includes surgical discharges and certain minor procedures and non-surgical interventions, so that the new Planned Care data doesn't match with the old electives data.
19 For the five quality measures (this one and the next four) data is not produced by ethnicity.
20 The falls measure was updated in the 2019/20 SPE to match the HQSC's Quality and Safety Measures (it used to be 'falls causing harm in NDHB facilities'), so there is no 2018/19 result to compare with.
21 The surgical measure was updated in the 2019/20 SPE to match the HQSC's Quality and Safety Measures (it used to be 'compliance with surgical checklist'), so there is no 2018/19 result to compare with.
22 Both patient deterioration measures in the 2019/20 SPE were new, introduced because they are part of the HQSC's Quality and Safety Measures.
23 National targets have not yet been set for the patient deterioration measures.

Output Class 3: Intensive Assessment and Treatment Continued

Measures included within 2019/20 Annual Plan but not included in the SPE.

Planned Care. Previously non-acute care was named elective or arranged services and the Ministry of Health agreed volumes to deliver this service with NDHB. From October 2019 the Ministry determined a broader approach to deliver health care services was required. Elective services is now Planned Care Services and includes a range of treatments funded by DHBs that are delivered in primary and community settings. Thus past targets for elective services and current performance targets for planned care services are not directly comparable.

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achieve-ment
		Period	Data				
Shorter waits for non-urgent mental health and addiction services for 0-19 year olds – % of people seen within 3 weeks[24]	Total Māori Non-Māori	*Not applicable (included in the 2019/20 Annual Plan, not the 2018/19 SPE)*		76.1% [25]	80% [26]	69.2% 72.4% 66.3% [27]	🔴 🔴 🔴
Northland acute bed days per 1000 (non-standardised)	Dep 4 Dep 5			527 623	511.2 604.3	539.3 606.1	🔴 🟠
	Total Māori Non-Māori, non-Paci			5.9% 9.7% 4.1%	n/a 440.4 n/a [28]	412.3 567.5 346.0	🔴
Planned care interventions [29] Inpatient surgical discharges Minor procedures Non-surgical interventions	*New Indicator*				12,425 8,467 3,858 100	11,616 7,508 4,108 0	🟠 🟠 🟢 🔴

Further information on results	
% of patients who receive their first cancer treatment (or other management) within 62 days referred urgently with a high suspicion of cancer and a need to be seen within two weeks	From July to December 2019 the Northland DHB FCT result was 81%, but from January to June 2020 our performance has decreased to 63% for the 6-month period with COVID-19 having a big impact on the ability to meet the target. The main reason for breaches were staffing issues due to vacancies, leave or illness. Access to Radiation Therapy (delivered in Auckland) and access to surgery had the highest number of capacity breaches for patients first treatment. In 2020/21, COVID-19 continues to create challenges, complications and delays for Northland patients accessing treatment within Northland or from Auckland hospitals. As a result of increasing numbers of patients triaged as 'High Suspicion of Cancer' additional Faster Cancer Treatment trackers have been employed by NDHB to increase FCT patient access to treatment. A recent initiative is the development of a Gynaecology Rapid Access Clinic for the assessment of post-menopausal bleeding. The unfinalised 62 day result for July and August 2020 is 82%.
Shorter waits for non-urgent mental health and addiction services for 0-19 year olds – % of people seen within 3 weeks	Waiting times can be longer in the under 17 years' age group, whose pathway is for the parents to be referred immediately to Incredible Years programmes. The child, however, doesn't get a first appointment until their school returns a completed screening tool, with delay in receiving this information lengthening the waiting time.
Patients with an emergency department length of stay of less than 6 hours	Patients discharged from ED generally met the target (93%). For those admitted to hospital (mostly to medical wards) 66% met the target. The impact of COVID-19 from late March 2020 resulted in a 4.5% decrease in patient presentations in 2019/20 compared to 2018/19.
Hospital falls causing fracture neck of femur	Numbers of falls have increased partly because of an ageing population and higher acuity patients, but also because of increased reporting. Falls are reported into DATIX, the adverse event reporting system, and monthly audits of coded falls have raised awareness among staff of unreported falls, and they then enter them into the system retrospectively. Events are discussed at Northland DHB's Harm Reduction Group meeting monthly and followed up as required.
Surgical site infections	The orthopaedic surgical site infection (SSI) QSM aims to reduce the number of surgical site infections following knee joint replacement surgery. The process markers monitor that the right antibiotic is administered within 60 minutes prior to starting the operation. The early part of the year showed variation in administration of antibiotics within the first 60 minutes but this has improved significantly over the last two quarters. Northland consistently provides the right antibiotic and dose and has seen a decreased rate of surgical site infections. The current build of two additional theatres should decrease the pressures within the theatres, further improving this measure.

[24] Though the data (produced by MoH) nominally covers non-urgent patients, it actually includes urgent ones too. Since urgent patients are seen more quickly, the reported data will understate the waiting times for non-urgent patients.

[25] Total only data was provided up till 2018/19.

[26] From 2019/20 Annual Plan, performance measures section. This measure officially describes non-urgent patients, though the calculation by MoH covers both urgent and non-urgent cases. Because urgent cases are seen more quickly, they shorten the reported result, so it will not reflect the average waiting time for non-urgent patients.

[27] Ethnic data is based on Q1, Q2 and Q4 (no ethnic breakdown was provided for Q3). Reported data lags a quarter behind, so the year covered is 1 April 2019 – 31 Mar 2020.

[28] From the 2019/20 System Level Measure Plan which aimed for a 3% reduction in acute bed days for 'priority groups', defined as those living in deprivation quintile 4 and 5, and those of Māori or Pacific descent. The 2018/19 SP did not contain a figure for Pacific, though it was quoted in the SLM plan as 352/1000 for the year ending September 2018. The 2019/20 performance to March was 391.9 /1000. Targets were not set for total patients and non-Māori non-Pacific but they have been included to assist with prior year comparisons.

[29] Not in the 2019/20 SPE, but included here because it has been selected by Audit NZ's national health sector group as material to monitoring DHB performance (and it is the nearest comparable measure to the old electives – see previous footnote).

STATEMENT OF PERFORMANCE

Output Class 3: Intensive Assessment and Treatment Continued

Further information on results	
Hand hygiene	Northland DHB hand hygiene compliance has remained above the national target of 80% for a number of years now. Northland DHB set its own target of 90% which we are currently working towards. Some clinical areas are already achieving above 90% compliance. Education and support is provided to other areas to increase compliance and meet Northland DHB's target.
Patient deterioration	A nationally consistent approach to recognising and responding to acute deterioration benefits patients, clinicians and the system as a whole. An effective and sustainable system includes a standardised national vital signs chart with early warning score and localised clinical escalation. Measuring compliance allows evaluation and continuous improvement within this highly complex area. There is as yet no national target set for patient deterioration so Northland DHB's performance cannot be assessed by that criteria. It has however improved by 16% from the previous year. Patient acuity and complexities have significantly increased over time, stretching resources available. Northland DHB has launched a project to identify areas where increased resources can support this program to continue to gain improved results.

Output Class 4: Rehabilitation and Support Services

Services for older people (home and community support services, residential care and services for dementia) and palliative care services:

- needs assessment and service coordination
- home based support
- age related residential care beds
- respite care
- day services
- rehabilitation
- palliative care
- life-long disability services.

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achieve-ment
		Period	Data				
% Home and Community Support Services (HCSS) clients assessed using interRai tool	Total	2018/19 Q2	91%	94%	95%	95%	●
% of HCSS providers certified	Total	2018/19 Q2	100%	100%	100%	100%	●
% of ARRC providers with at least 3-year certification	Total	2018/19 Q2	88%	92%	88%	100%	●

Health Targets

In previous years the national Health Targets were included within the Statement of Performance, and they were summarised collectively in a separate table. That is no longer relevant because Health Targets have not existed since an announcement by the Minister of Health in June 2018. Since then the Ministry of Health has been developing a new set of national indicators but so far they have not yet been announced.

Northland DHB volunteers came together for their annual luncheon in November 2019.

Endoscopy Suite photo gift - View from Pohe - Billy and Emma Stewart

STATEMENT OF PERFORMANCE

Actual Cost of Service Statement

For the year end 30 June 2020	$000 Intensive Assessment & Treatment	$000 Early Detection & Management	$000 Prevention	$000 Rehabilitation & Support Services	$000 Total
Revenue					
DHB Provider Revenue	355,208	30,976	0	0	386,184
Other Provider Revenue	22,474	2,455	4,124	1,545	30,597
Less Revenue Offsets - Note 1	(1,337)	(5,472)	(474)	(3,666)	(10,950)
DHB Funder Revenue	114,746	124,472	10,959	71,255	321,433
Total Revenue	491,090	152,430	14,609	69,134	727,263
Personnel Costs					
Medical Labour	81,314	6,935	1,201	143	89,593
Nursing Labour	97,483	5,558	4,551	5,774	113,367
Allied Health Labour	30,676	11,532	2,729	2,744	47,682
Non Clinical Support Labour	5,995	154	112	79	6,339
Management and Admin Labour	33,003	3,285	3,720	1,511	41,520
Non-Personnel Operating Costs					
Outsourced Clinical Services	12,174	1,572	404	246	14,396
Oth Clinical Supp	35,216	2,138	713	2,952	41,018
Implants	5,023	0	0	0	5,023
Pharmaceuticals	11,890	76	51	592	12,609
Infrastructure and Non Clinical	42,442	3,411	2,166	2,142	50,161
Cost of Capital	7,419	610	366	373	8,768
CTA Recoveries	(3,282)	(387)	(351)	(59)	(4,079)
Patient Support	4,805	7	0	39	4,850
Sterile Supplies	291	5	0	0	297
Provider Payments - to providers					
Personal Health	78,656	120,341	5,552	1,054	205,603
Mental Health	17,046	3,245	0	0	20,291
Disability Support Services	174	0	0	82,390	82,564
Public Health	0	1,428	392	0	1,820
Māori Health	0	630	5,756	73	6,459
Total Operating Expenditure	460,326	160,539	27,361	100,054	748,281
Surplus (Deficit)	30,764	(8,109)	(12,752)	(30,920)	(21,017)

Budget Cost of Service Statement

For the year end 30 June 2020	$000 Intensive Assessment & Treatment	$000 Early Detection & Management	$000 Prevention	$000 Rehabilitation & Support Services	$000 Total
Revenue					
DHB Provider Revenue	366,029	30,976	3,186	12,125	412,316
Other Provider Revenue	3,072	2,455	4,124	1,545	11,195
DHB Funder Revenue	93,062	124,472	10,959	71,255	299,749
Total Revenue	462,163	157,902	18,270	84,925	723,260
Personnel Costs					
Medical Labour	73,289	7,311	1,642	37	82,280
Nursing Labour	91,491	8,335	2,043	5,487	107,357
Allied Health Labour	26,177	12,109	2,693	2,743	43,722
Non Clinical Support Labour	5,403	179	139	90	5,811
Management and Admin Labour	29,179	4,179	2,832	1,831	38,020
Non-Personnel Operating Costs					
Outsourced Services	29,341	4,277	1,248	774	35,641
Clinical Supplies	53,274	2,315	691	3,004	59,284
Infrastructure and Non Clinical	35,308	3,979	1,660	1,886	42,833
Finance and Capital Costs	8,054	852	298	395	9,600
Provider Payments - To Providers					
Personal Health	77,362	118,354	5,460	1,036	202,212
Mental Health	16,765	3,191	0	0	19,956
Disability Support Services	171	0	0	81,030	81,201
Public Health	0	1,405	386	0	1,790
Māori Health	0	619	5,661	72	6,352
Total Operating Expenditure	445,812	167,106	24,754	98,387	736,059
Surplus (Deficit)	16,350	(9,204)	(6,485)	(13,462)	(12,800)

STATEMENT OF PERFORMANCE COMMENTARY

A key influence on length of life is how we live it. Two of the most harmful behaviours are smoking and obesity, which cause some of the most prevalent lifestyle-related conditions such as heart disease, diabetes and cancers.

A number of events across the region, and afar have adopted a fizz free approach as a result of the leadership from Waitangi National Trust.

Output Class 1: Prevention

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achieve-ment
		Period	Data				
Full and exclusive breastfeeding at 3 months	Total	2018/19 to Nov	65%	63.8%	70%	63.0%	●
	Māori		55%	52.7%		52.8%	●
	Non-Māori		73%	73.9% [27]		71.8%	●

Breastfeeding

Breastfeeding information and support for midwives and pregnant women commences during pregnancy to after delivery of baby with a commitment to support women to be breastfeeding at three months. Activities include:

- LMC midwives discuss breastfeeding as part of their routine antenatal care
- Referral can be made to a Lactation Consultant (LC) during pregnancy to discuss difficulties encountered in the past which potentially may impact on the current approach to Breastfeeding
- Breastfeeding is discussed at formal antenatal education classes including our hapu wānanga. In these contexts, there are also whānau members present – support from whānau is a significant contribution to on-going breastfeeding
- All midwives are required to undergo regular updates on Breastfeeding
- LCs visit all postnatal women in Te Kotuku to inform them of the availability of LC services in the community
- Women with specific breastfeeding challenges in the early days following birth are supported by LCs in order to address issues as soon as possible
- LCs hold weekly clinics in Bay of Islands and Dargaville Hospitals (for babies of any age) and there are several clinics at Te Puawai Ora each week
- All women are given local contacts for La Leche League with whom midwives collaborate closely
- Full breastfeeding information is included in the handover from LMC to Well Child/Tamariki Ora Providers at around 5-6 weeks.

Angela Lewis with baby Julia and Helen Wellington

Well over 100 Northland mothers were out in force at venues around the region for Big Latch On events to celebrate Global World Breastfeeding week in early August 2019. Northland DHB lactation consultant Helen Wellington was thrilled with the turnout for the Whangarei event where 80 mums latched on at 10.30am. She said the tally was good considering the stormy weather and trialling the new location at Clark Road Chapel in Kamo. She was also pleased to see a more significant number of older children being breastfed, showing more mums are feeding for longer. Helen's daughter Kylee Parker has been organising the event for the past five years with Charlene Morunga. Kylee was overwhelmed with the support they received from local businesses that offered products and services as spot prizes. Mum of three Angela Lewis said she calls Helen her best friend.

Without her support, she would never have been able to continue to breastfeed after having issues with her two month-old baby Julia. Angela's first two children were born in the United Kingdom, and she had no difficulties breastfeeding them. She said having a baby here at home in New Zealand has been an entirely different experience, with wrap-around support throughout pregnancy, during the birth and after. However, latching on had been more difficult this time around. Thanks to daily support from lactation consultants during her time in Whangarei Hospital and continual follow up with her once she got home, she was able to get there. She continues to get ongoing support and meet up with other mothers at the free lactation clinics offered by Northland DHB. Northland has consistently been at the top of New Zealand's exclusive breastfeeding rates for mothers leaving our hospitals, thanks to the hard work and support from midwifery, nursing staff, lead maternity carers and lactation consultants.

[27] Data is for the first six months of 2018/19, which so far are all that is available.

STATEMENT OF PERFORMANCE COMMENTARY

Output Class 2: Early Detection and Management

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achievement
		Period	Data				
Cervical cancer screening in eligible populations	Total Māori Pacific Asian Other	2018/19 to Sep	75.5% 70.7% 64.2% 55.8% 79.9%	72.2% 71.2% 72.6% [28]	80%	66.3% 60.0% 58.4% 62.5% 70.2%	● ● ● ● ●

Mahitahi Hauora Cervical Screening Improvement Plan

Mahitahi Hauora PHE is progressing its 20/21 Annual Plan to improve cervical screening amongst service providers across Northland. A significant barrier has been identified for women who have to pay for the annual re-screen following an abnormal smear. This process is inconsistent across Northland and poses an issue to a number of our priority women. We are now providing all Māori/Pacific women who require a one year follow up to have this provided free of charge. Training provided for new smear takers has been expanded.

The HPV self-testing trial in Te Tokerau ki Muriwhenua working with primary care in Kaitaia and Kaikohe was aimed at assessing if the offer of an HPV self-test was more acceptable to under-screened Māori women compared with the usual offer of a cervical smear. Results have shown demonstrable success and also shown it is a preferred option as the primary test for the National Cervical Screening Programme particularly for wāhine Māori.

We have been advised that the application for a Health Research Council grant for HPV self-testing was successful to expand the Te Tokerau ki Muriwhenua project in partnership with Mahitahi Hauora PHE and the DHB. Results will inform the National Cervical Screening Programme how to best implement a high quality, equitable, efficient and sustainable primary HPV screening programme utilising the universal offer of HPV self-testing.

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achievement
		Period	Data				
Good blood sugar management in diabetics (≤ 64 mmol/mol)	Total Māori Non-Māori	2018/19 to Q2	39.0% 33.5% 44.4%	50.2% 37.8% 62.1%	80%	29.5% 25.4% 34.1%	● ● ●

Diabetes

Due to the poor figures in blood sugar management, four working groups have been established around immediate actionable items including:

- Data to improve accurate reporting and monitoring
- Education and training strategies to support improved management of complex diabetes in primary health care, including insulin initiation, specific professional development of primary care diabetes nurses, the development of shared medical appointments to improve patient access to care, and multidisciplinary team meetings to connect complex diabetes patients, their GPs and specialists in order improve diabetes management.

These are also key components of Northland Diabetes Strategy that is being developed which has been prioritised by the Diabetes Governance Group. The Strategy includes four broad overarching themes:

- Alliance leadership that includes community, primary and secondary care as well as input from the Public Health Unit, Māori Directorate, consumers and community
- Delivery of prevention, promotion and effective lifestyle interventions (patient support groups, education and promotion that is tailored to communities, and models of delivery that encapsulate the Māori world view). A stock take of existing community diabetes education/prevention and promotion activities is already being undertaken.
- Workforce development, training and processes, including competency in the management of diabetes and its complications in primary care. Podiatry is already being supported to develop quality care delivery, and a stock take is being conducted of previous and existing education and training to support the primary care workforce.
- Community-based, integrated models of care with a focus on approaches that incorporate Māori world views and improve the patient care journey, access and equity.

16 children living with type 1 diabetes from across Northland stayed together at the annual Diabetes Summer Camp at Whangarei Heads to learn about their condition.

[28] In the 2018/19 SP the third ethnic category was 'other' which consisted of non-Māori, non-Pacific, non-Asian, which is the same as this year's 'Asian' plus 'other'.

Output Class 3: Intensive Assessment and Treatment

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achieve-ment
		Period	Data				
% of patients who receive their first cancer treatment (or other management) within 62 days referred urgently with a high suspicion of cancer and a need to be seen within two weeks	Total Māori Non-Māori	2018/19 to Q2	88.5% 87.3% 89.1%	79.6% 84.8% 78.7%	90%	68.6% 72.0% 38.9%	● ● ●

Cancer treatment

Performance against this target has deteriorated over the last 18 months. The reasons are multi factorial, although with two major factors. Firstly, significant industrial action through 2019 (and an inability to recover due to capacity constraints) and secondly due to the challenges in managing growth with no corresponding increase in resources.

We have appointed additional resources to support the tracking and coordination functions. Northland DHB had only 0.6 permanent approved FTE for tracking 350 patients per annum (now increased to 1.7 FTE). This is an essential role and will be critical to any form of sustainable recovery of the FCT pathway.

Output Class 4: Rehabilitation and Support

Output measure	Ethnicity	2018/19 baseline from 2019/20 SPE		2018/19 result	2019/20 target	2019/20 result	Achieve-ment
		Period	Data				
Patients with an emergency department length of stay of less than 6 hours	Total Māori Non-Māori	2018/19 to Q2	84.5% 86.4% 83.4%	84.4% 86.2% 83.2%	95%	84.7% 87.3% 83.1%	● ● ●

Emergency Department

The wait times at Whangarei Emergency Department are unlikely to improve until an acute assessment unit (AAU), a facility inside a Hospital where patients are seen in a more intensive and efficient fashion than on the wards, is built. In the interim efforts continue to improve patient flow. With funding for a new Hospital still waiting to be being approved the DHB is also working towards establishing an interim AAU that could be operational in about two to three years.

Northland DHB Oncologist Dr Vince Newton speaking at the Let's Talk Cancer Hui hosted by Northland DHB and Hauora Hokianga, with support from Cancer Society Northern Region, North Haven Hospice and Leukaemia & Blood Cancer New Zealand.

COVID-19

Covid-19 Impacts

Based on **Our COVID-19 Journey** [29], a record produced by Northland DHB of Northland's experience of the COVID-19 pandemic during the first half of 2020, and learnings described during a hui held as part of the process of developing our Strategy 2040.

This brief account concentrates mainly on Northland DHB because that is the focus of the Statement of Performance. Many other organisations and people both in the health sector and outside it contributed enormously to the pandemic response; their actions are described in the above document.

IMT formed. 25 January saw the first meeting of our Incident Management Team for COVID-19 (an IMT had been formed to deal with Northland's drought).

Separate areas. All hospitals established zones designated red (for people who are potentially infected or high risk) and green (non-infected or low risk). The two zones, their staff and patients had to be kept rigorously separate. This required rapid and inventive creation of spaces using wooden framing, plastic sheeting and duct tape, and the creation of negative pressure areas so that any infection would remain inside.

The process. From late March all patients arriving at hospital were triaged and either admitted or sent home. Northland DHB's public health teams were the first in the country to establish community testing centres. Northern Region Health Coordination Centre led region wide functions for COVID-19 and supported DHBs.

Staff wellbeing. Numerous ways of looking after staff wellbeing were put in place. The Mayo Wellbeing Index was made available so staff could self-monitor, the Employee Assistance Programme was promoted as first point of contact, and there was a 24-hour 0800 number for staff to ring at any time of need.

Primary Care. Efficient functioning of primary care was essential for managing demands in the community and minimising loads on Northland DHB hospitals. Patients were managed in innovative ways. GPs first telephone triaged them to determine who were highest priority, who might need a face-to-face visit, and who could have a phone or video appointment. Remote consultations boomed overnight (a typical practice switched from 10% remote consultations to 95%). Not only did this minimise chance of cross-infection but most patients found it quicker and more convenient.

Good quality **data** that was produced rapidly was essential to help IMT make decisions. Data covering from first contact with testing to eventual discharge came from four different sources. It needed to be cleaned, merged and interpreted, all within tight deadlines to enable prompt and informed decision making.

Communication. It was essential to get accurate information out quickly so that people would be able to make the right decisions and reduce risks as much as possible. There were 17,000 hits on our COVID-19 intranet page and 17,000 on the public website, 133 documents were published on the intranet, 112,000 visits were made to COVID-19 related pages, a total reach of 1.5 million posts and 125,000 users were engaged.

Learnings:

- when a crisis such as this occurs, everyone pitches in and works as a team
- give people the right info and support and they can be trusted to do the right thing
- the crisis prompted action on ideas that had long been talked about: integrated working, cutting down barriers, reducing silos
- the pandemic forced action and quickly built a high trust environment that freed people up to make decisions
- possibilities are endless when thinking is 'and' rather than 'but'
- rules that used to seem significant didn't matter so much anymore – it was more important to do the right thing even if the old rules or policy didn't support it
- plan by doing, 90% was good enough if it meant action happened – didn't have to get everything perfect
- things that weren't necessary fell by the wayside
- online and remote options for healthcare mushroomed overnight and were widely welcomed
- large volumes of PPE always need to be kept on hand
- always have a plan for pandemics and other emergencies
- it is not just about what health services do – the cooperation and commitment from the community and non-health organisations was amazing and essential to the COVID-19 effort.

Northland DHB COVID-19 Incident Management team led by Incident Controller Sarah Hoyle (front left).

[29] https://community.northlanddhb.org.nz/wp-content/uploads/NDHB-Our-COVID-19-Journey-red2.pdf

COVID-19 Equitable Testing

COVID-19 testing was carried out by primary care (GPs), at Northland DHB hospitals (including emergency department and wards), and the Community Based Testing Centres (CBTCs) established across Northland in partnership with Māori Health Providers - Kaitaia, Kaikohe, Rawene, Kerikeri, Kawakawa, Dargaville and Whangarei, and from 20 April, Aged Residential Care facilities.

- 13,843 tests have been carried out in Northland as of 30 June 2020.
- 7,958 (57%) of tests were done at CBTCs.

Northland DHB contracted the following Māori Health Providers for mobile testing across the rohe:

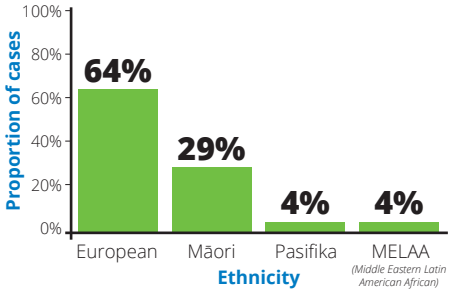
- Whakawhiti Ora Pai
- Te Hiku Hauora
- Hokianga Health Enterprise Trust
- Te Rūnanga O Whaingaroa
- Whānau Ora Community Clinic (Whaingaroa Health Services Trust)
- Ngāti Hine Health Trust
- Te Hau Ora O Ngāpuhi
- Ki A Ora Ngātiwai
- Te Ha Oranga.

Northland DHB operated five static Community Based Testing Centres (Kaitaia, Kerikeri, Rawene, Dargaville and Whangarei) and two were operated by:

- Ngāti Hine Health Trust (Moerewa and Kawakawa)
- Te Hau Ora O Ngāpuhi (Kaikohe).

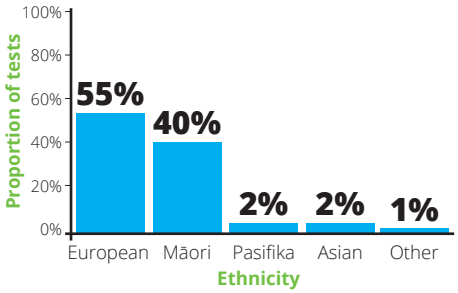
13,843 COVID-19 tests were carried out in Northland as of 30 June 2020, across Primary Care, Community Based Testing Centres (CBTCs), mobile testing clinics, NDHB hospitals, and Aged Residential Care. 7,958 (57%) of tests were done at CBTCs.

Northland COVID-19 cases by ethnicity



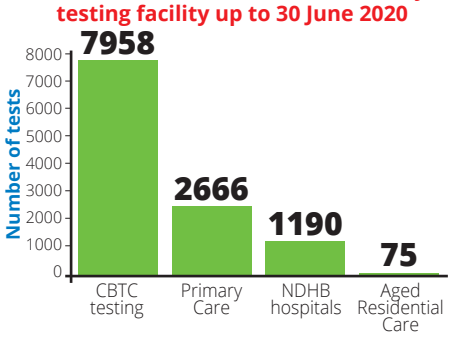
Source: EpiSurv, Ngā Tai Ora (Public Health Northland), Northland District Health Board

Northland COVID-19 tests by ethnicity



Source: Lab results data, Community Based Services data, Northland District Health Board

COVID-19 tests done in Northland by testing facility up to 30 June 2020



Source: Lab results data, Community Based Services data, Northland District Health Board

Ki A Ora Ngātiwai

Ki A Ora Ngātiwai mobile clinic 'going to the people'. Ki A Ora Ngātiwai focus was COVID-19 swabbing, flu vaccinations and delivery of hygiene packs. The mobile van was able to provide face to face consultations while maintaining a 'red zone', to keep staff and clients safe.

ASSET PERFORMANCE 2019-20

Asset Portfolio	Asset Classes with Portfolio	Asset Purpose
Property	Land, buildings, plant and equipment	To provide facilities from which health services are delivered across Northland
Clinical Equipment	Equipment including scanners, imaging, testing and surgical instruments	To provide investigations, diagnosis, treatment and rehabilitation services
ICT	Computer hardware and software	Key information systems provided by healthAlliance

Asset Portfolio Name	Asset Performance Measure	Asset Performance Indicator	Draft Target level	Actual performance 2019/20	Actual performance 2018/19	Measure description (may include how it's calculated)	Target description
Property	% of occupied buildings classed as "Potentially earthquake prone"	Condition	<5%	3.0%	3.0%	Percentage of buildings housing patients that exceed the minimum "Potentially earthquake prone" seismic rating requirement .	This is a measure that is aimed at reducing the risk to staff and/ or customers by identifying % of the buildings in the portfolio that are earthquake-prone. The earthquake-prone / national building standard assessments
Property	Occupied buildings rated as "poor" or "very poor condition"	Condition	<5%	17.0%	19.0%	% is based on proportion of overall buildings value. The assessment is based on the building condition criteria	The target is implied and reflects NDHB desire to have occupied buildings no lower than average condition, however this must balance cost, risk and benefit. Based on RDT Building Condition Assessment
Property	% of facilities complying with modern standards	Functionality	>85%	19.5%	19.5%	% of floor space of facilities complying with modern standards	% of facilities complying with modern standards (i.e. new building standards, fit for purpose, technology standards etc.)
Property	Average Medical/ Surgical Bed occupancy	Utilisation	>85%	77.2%	77.3%	Average occupation of inpatient beds throughout the year. (Excluding short stay and ICU beds)	The target was adopted by operational senior management in alignment with international best practice and reflects the variation between peak winter and low summer demand.
Clinical equipment	Preventative Maintenance Tasks outstanding	Condition	<10%	54.0%	33.0%	Percentage of outstanding preventative maintenance tasks	Compliance ensures assets operate safely and do not adversely impact health and safety of staff and patients.

Reducing Methamphetamine Harm In Northland

Te Ara Oranga

October 2017 – June 2020

Reduce methamphetamine demand by enhancing treatment services and increasing our responsiveness.

Northland DHB, NZ Police together with community agencies lead Te Ara Oranga, the Methamphetamine Harm Reduction initiative in Northland that was launched in October 2017. Te Ara Oranga is about working in a tangible and engaging style with the community and agencies, focusing on delivering a holistic approach to health and policing to produce better outcomes for all. The initiative links evidence-based health services with police prevention and enforcement activity.

Police Action

October 2017 - June 2020

Prevention

- **611** (582 Users, 19 Whānau) Referrals to Treatment
- **45** Reports of Concern for **106** children

Enforcement

- **45** Firearms Seized
- **195** Arrests (1264 charges)
- **124** Search Warrants
- **235** Drug Tests of Persons on Bail

Health Action

October 2017 - June 2020

Treatment

- **1899** People being supported in treatment

Screening and Brief Intervention

- **9806** People screened in ED
- **179** self-reported methamphetamine in previous 3 months representing 2.6% of those screened. Nationally, 1% of adults had used amphetamines in 2018/19
- **44** users consented to a referral to support/treatment services

Choice (One-day Brief Intervention Programmes)

- **693** Referrals to Choice

Pou Whānau Connectors

- **674** Clients and their whānau members supported

Employment

- **203** Referrals
- **95** People into new work

131 Community Events, Meetings, Visited **23** Schools reaching over **3000** students

The Ministry of Health 'Amphetamine Use 2018/19: New Zealand Health Survey' reports 1 percent (equates to about 39,000 New Zealanders) of adults used amphetamines in the past year, with Māori 1.29 times more likely to have used amphetamine than non-Māori.

HIGHLIGHTS 2019-20

CPR Skills Invaluable

Few people can say they have died and been resuscitated, let alone twice, but Norman Tolra is one such man.

Back in 2003, Norman was at his local gym in Christchurch when he had his first cardiac arrest. Gym staff performed mouth-to-mouth on him and managed to resuscitate him.

When he returned to the gym afterwards, one of the instructors who helped bring him back to life told him she decided to fulfil her dream of becoming a nurse after realising how capable she was in an urgent situation.

Norman and his wife Kaye, who now works as an occupational therapist at Northland DHB, also made a life changing decision after the incident. They made a pact that he would never leave the house again without some form of identification, in case this happened again.

Then in June 2019, Norman was just metres from his home when he collapsed from a second cardiac arrest while out jogging.

Emergency Department (ED) nurse Joby Paul was driving down Western Hills when she noticed Norman lying on the ground being attended to by a bystander.

She stopped to assist. Midwife Priscilla Ford also pulled over with her home birth kit which included oxygen, and the pair worked together to perform expert cardiopulmonary resuscitation (CPR) on Norman until the ambulance turned up and took over.

Neither Joby nor Priscilla were aware that the other was a health professional. Priscilla recalls thinking that Joby must have listened to her instructor during first aid training because she was performing textbook CPR. Together, their skills saved his life.

Kaye was at work when she received a call from ED asking if she was Norman's wife. Thanks to their pact back in 2003, Norman's keys had his NHI number attached, which ED staff used to identify him and connect back to Kaye.

He was airlifted to Auckland Hospital where he spent a week in intensive care, followed by two weeks at Whangarei Hospital recovering from both the cardiac arrest and a head injury sustained from his fall.

The couple had the opportunity to meet with Joby and Priscilla last month. Before the meeting Kaye said she didn't know what the protocol was when meeting someone who has saved your husband's life, adding "We can't do anything more than say thank you to Priscilla and Joby, and live our lives in a way that gives thanks."

All four urge the public to consider learning CPR, which, when performed early with minimal interruptions, is the most critical factor in a patient surviving.

Kaye said they have taken several lessons away from the incident, but above all, to be thankful for every day.

St John and Red Cross offer regular First Aid training for members of the public. Northland DHB provides in house training in Basic Life Support for staff which includes CPR and use of emergency call systems, and the use of Automated External Defibrillators (AEDs).

From left - Priscilla Ford, Norman and Kaye Tolra and Joby Paul.

Te Wāhi Tirohia Oranga Whēkau

After years of research, collaborative planning and a full refit, the former maternity unit at Whangarei Hospital has been rebirthed as Te Wāhi Tirohia Oranga Whēkau, Northland DHB's new Endoscopy Suite, which when translated means, 'looking inside for the wellbeing of your health'.

Unfortunately for the Endoscopy team, the official opening was scheduled to occur on Wednesday 25 March (just hours before Alert Level 4 came into force) so it had to be put on the back burner and ever since they have been busily adjusting to their new space, albeit much sooner than expected.

Endoscopy Services clinical nurse manager Chloe Henderson said the original plan was to carry on procedures in the Theatre Department for five weeks after the official opening. Allowing them time to set the new Suite up operationally and do mock run-throughs and extra training.

However, when the Surgical Admissions Unit (SAU) was shut down due to COVID-19, Chloe said they lost the pre and post-procedure spaces for their patients.

"One week into Alert Level 4, we were informed that we were to come back online with urgent endoscopy, the decision was made to make the move."

They swiftly relocated their entire operation over three days, rather than the planned five weeks. Chloe said there was a lot to do in a very short time, but they managed it safely, and it all ended up fine.

Northland patients were grateful for the opportunity to continue with appointments where possible. However, some were too frightened to leave their bubbles to attend, which included patients from Kaitaia. The latter had to travel down to Whangarei after Kaitaia Hospital's Theatre was turned into a red zone during the pandemic.

Although there is still a lot to be ironed out, Chloe said they are all feeling a bit more settled, and it is good to see the project finally come to fruition, "The main thing was that we were able to move here and bring a service to our patients during COVID-19, which was great."

Before the Suite opened, Endoscopy patients were admitted by SAU. Then they would have their procedures done by the Endoscopy team in a small room in the Theatre Department or the satellite unit out of Outpatients on Mondays and Tuesdays. The patients were then recovered and discharged home by the SAU staff.

The nurses in Te Wāhi Tirohia Oranga Whēkau now work in all roles; admitting patients, working in the procedure room and looking after patients in the recovery phase. The nurses also share in the on call roster providing support after hours for emergency endoscopy cases in the Theatre Department.

Chloe's focus is to ensure the quality of the procedures is high, and her team have the flexibility to deal with difficult cases without putting them under any extra pressure.

"It was challenging to work out how to staff a standalone suite when we had always been a part of a much bigger department. It wasn't as easy as just picking up the Service and dropping it in a new location.

"A new model of care had to be planned to increase efficiency, flexibility and patient care, and we hope this will improve our ability to see all patients, including acute patients on time.

"We had to ask for more staff than what we had allocated to us in Theatre, and we are in the process of interviewing for more staff at the moment."

Currently, because there is no screening for Northlanders, patients only come to the Service if they have been to their GP with an issue or have been identified as having a family history or previous symptoms that need checking on.

"Often, patients don't know why they have been referred to us. Our speciality clinic nurse Sandra Cunningham does a wonderful job to get them on board to help them understand why they are having tests done and alleviate any fears they might have. It's a tough job, but we need to know people are seen to give them the best chance to deal with whatever they have."

The National Bowel Screening Programme (NBSP) which is being rolled out gradually across the country is due to be launched in Northland in August 2021. The free NBSP is for men and women aged 60 to 74.

Meanwhile, the Service continues to get lots of great feedback from patients who appreciate the well designed, open space. Chloe said her nurses love working there, and one of the locums who has worked all over the country and overseas, told her it is the best endoscopy suite in New Zealand, which makes all their hard work and planning worthwhile.

TE WĀHI TIROHIA ORANGA WHĒKAU
The Endoscopy Suite

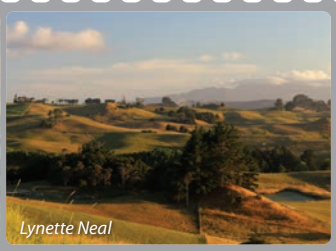
Northland carver Poutama Hetaraka (Ngātiwai, Ngāi Tahu) kindly designed the Te Wāhi Tirohia Oranga Whēkau logo.

Translated, Te Wāhi Tirohia Oranga Whēkau means 'looking inside for the wellbeing of your health'. The shape of the logo and the circle with lens glare symbolises the scope which is used in the service of Endoscopy. The koru is a spiral shape symbolising new life, growth and strength. The inner circle features the district health board's decorative motif and provides a link to our organisational values which are at the centre of everything that we do.

We are also very fortunate to have been gifted a collection of Northland images for display in Te Wāhi Tirohia Oranga Whēkau from Northland photographers, some of which are shown below.

The images help create a pleasant environment for our patients and staff alike.


Meng Chong


Lynette Neal


Grant Birley


PCK Photography

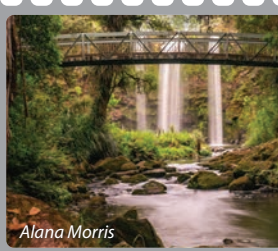

Sandra Whyte


Ben Woodgate


Brooke Paniora


Liz Inch


Bevan Cramp


Alana Morris

HIGHLIGHTS 2019-20

Tū Tira Kaupapa Māori Health Symposium Huge Success

Tú Tira Attendees

Tū Tira (formerly known as the Kaimahi Māori Core Network) successfully undertook its inaugural Kaupapa Māori Health Symposium in Whangarei in late March at the Northland Events Centre. Tū Tira (meaning 'stand together') is a network and forum where kaimahi Māori can come together, share ideas, achievements, successes and build on capabilities.

Northland DHB consultant general surgeon Dr Maxine Ronald joined other keynote speakers Sir Pita Sharples, Dr Ann Milne and Dr Keri Milne-Ihimaera to speak to over 100 Northland DHB Kaimahi Māori.

The day included breakout workshops with innovative projects being presented and opportunities for the groups to have a platform to investigate alternate pathways for better engagement with Māori patients and their whānau.

A Kaupapa Māori event of this calibre was a first for this network. The purpose was to mobilise Northland DHB Kaimahi Māori, re-establish the network and provide a space where Māori feel connected to kaupapa relevant to their ideologies and practice.

Event organisers Arama Morunga and Tracey Cornell said they intentionally implemented elements of tikanga Māori to make the event distinctly Māori. "The aim of the day was to express manaakitanga to all participants. That's what makes us different and it was also important to use te reo Māori me ōna tikanga."

The network had their highest ever event turnout since their inception in 1999 and also increased their membership numbers. Tū Tira thanked their sponsors, The Public Health Unit, the Communications team and Te Poutokomanawa: Māori Health Directorate for helping make the event possible.

Tū Tira Working Group

Resilience-building Programmes for Taiohi

Life is what you make it, and if you are going down the wrong track you can change direction and be as great as you want to be. This message was delivered to over 3000 young Northlanders during the tour of the play, '10Ft Tall', by local company Playworks Productions.

The tour reached 18 schools across the region, including Regent Training Centre and Ngawha Prison and was supported by Te Puni Kōkiri and Northland DHB as the third in a series of resilience-building programmes for taiohi/youth. 10Ft Tall focuses on the harm that methamphetamine 'P' and other drugs do, and follows the character Jesse, who is a rebel and risk taker, as she gets caught up with the drug and runs off the rails.

The story showed a community which is supportive and effective in keeping Jesse safe, with heroes who model the resilience building attributes of being connected, having a sense of purpose and contributing.

Playworks Production's playwright and director Bryan Divers performed in the play with fellow Northlanders: former Whangarei Girls High student Nevandra Straker, who played Jesse, Lionel Wellington from Ngunguru and Auckland actor Jacob Dale who relocated north for the tour.

As part of the programme after each show, the cast spent an hour with the audience. In these workshops they discussed how Jesse could have done things differently and worked on strategies they could use to help friends, whānau or themselves if they are in a similar situation as Jesse in the future.

Service professionals from Te Ara Oranga, Police, Odyssey House, and Northland DHB supported the cast throughout the tour to help deal with any issues arising from the themes portrayed. These organisations also used the platform to offer their services to youth and engage with them in conversations around P.

Bryan said over the five weeks, thanks to audience reaction, the show became more refined and efficient. "The audience train you up to a certain extent, and you listen to them and deliver things in a way that they respond to. Their reaction has been great, and they've all participated in the workshops. I realised during the tour that there's a lot of listening that us more mature people need to do."

Having younger cast members with large social media followings allowed the audiences to feel connected and open up. Nevandra said that early on in the tour, they noticed a few students might have been going through something, and they were able to reach out to them and offer help.

"It was great having all the support people there and being able to talk to these kids and show them that, I'm just like you and I have issues sometimes, but it's OK. You can still do great things and be someone that others look up to. There might be bumps in the road, but you're still on the right track."

Nevandra said the youth appreciated the way the issue was portrayed and appreciated that nothing was sugar coated. "They were thankful that we were blunt, but in a way that it wasn't damaging. Plus we gave them options. Having the workshops helped because they were able to talk about the messages in the show."

Northland DHB Suicide Programme Lead Tania Papali'i said that the play is part of the suicide prevention strategy. P is one of the known drivers of suicide that they are focusing on, along with family violence, relationships, alcohol, and bullying.

"It has helped reach our taiohi and has all the aspects of help-seeking behaviour woven into it. So having the support services at each show has been a critical element."

Detective Sergeant Renee O'Connell who leads the Northland Police Meth Harm team says that in the two and a half years that Te Ara Oranga has been operating, their focus has been on people 18 years and over, so by supporting this tour, they had the opportunity to reach a previously untapped age group.

"At first, I questioned if this age group would be too young for the play, but then you realise that someone could get passed a pipe at a party when they are 15, 16 or 17. You can't ignore the topic, or it could be too late."

She said having members of the Te Ara Oranga team at each show helped send the message to youth that the Police are there to reach out to, not fear. They were also able to connect with other support agencies around the region working with youth that they hadn't met with before.

Overall, Detective Sergeant O'Connell said it had been a valuable opportunity for her team to speak with the younger people who they usually don't get buy-in from during their presentations at marae and community events.

"The idea was to provide students with opportunities to find out how to seek support. The actors have done a brilliant job presenting the topics and connecting with the audiences." However, she found it surprising how many students didn't know about the 1737 support line, so appreciated the opportunity to share that with them.

Regent Training Centre was included in the tour, and general manager Jennifer Andrews said the actors managed to reel in their students' attention from the first few seconds and had them enthralled right to the end of the play, which is not an easy task. She added, "The lively and open conversation that followed the performance was a testament of the production's ability to get across the key messages in a way that resonated with our taiohi, and implore them to seek help for their whānau, friends, and themselves."

From Left Top Nick Pirihi, Renee O'Connell, Rochelle Howells, Tania Papalii, Karen Edwards Front Jacob Dale, Nevandra Straker, Bryan Divers, Lionel Wellington

OUR COMMUNITY

Northland Community Foundation

Health begins where we live and work, learn and play. Northland DHB's commitment to supporting people to stay well in the community means we partner with a range of other agencies to support healthy lifestyles. The partnership between Northland DHB and Northland Community Foundation focuses on encouraging community giving to benefit the health needs of all Northlanders, now and in the future.

Health Fund PLUS is the name given to the fundraising programme developed in 2016 to encourage larger gifts, donations and endowments to Northland DHB. The funds can be used for the optional extras that support and enhance the patient or family/whānau experience of care. In the year to end June 2020 the Foundation has received $209,035 on behalf of Northland DHB which is made up of $203,584 donations, $2,648 fundraising income, $1000 grant and $1,803 interest earned. The total Promised Funds (Bequests) for Health Fund PLUS to 30 June, 2020 was $2,350,000.

The Northland COVID-19 Emergency Response Fund and Recovery Fund

The Northland COVID-19 Emergency Response Fund was established in response to the COVID-19 Lockdown and raised a total of $90,000 since March, thanks especially to The Tindall Foundation, Foundation North and an anonymous individual donor who are the major donors of the fund.

It provided much needed support to people affected by COVID-19. Funds were used to help provide care packs to Moerewa and its neighbouring communities as well as support the food bank at Open Arms Whangarei. Multicultural Whangarei and Bream Bay Community Trust were also recipients of the fund to support their community groups that needed immediate help during the lockdown.

For patients of Northland District Health Board Hospitals who are affected by COVID-19, the Northland COVID-19 Emergency Response Patient Support Fund provides grants of up to $500 to help them financially. Priority is given to patients who are over 55 years of age, who live in rural or isolated areas, are in a difficult financial situation, and manage a long-term or acute condition(s).

Patients may use the grant on expenses such groceries, warm clothing, heating appliances, utilities, etc. Many have been grateful for the funding provided and commented that they are amazed at how efficient the process has been.

"Northland Community Foundation has been a great resource for the community as another avenue of funding available to support those providing assistance to the community. It was great to be one of the panel members of the Northland COVID-19 Emergency Response Fund and know that recipients of the fund were able to use these funds to directly help the most vulnerable in our community," offered Northland Regional Council Civil Defence Emergency Management Officer (Welfare), Claire Nyberg.

"The Patient Support Fund is providing much needed support to patients across Northland. Since coming out of Alert Level 4, our social workers are identifying patients who are experiencing intense financial stress. COVID-19 is having a ripple effect for many whānau in the community. We know that there are sub-standard living conditions throughout Northland especially in isolated communities, so this fund has been able to alleviate some of the pressure and hardship being experienced. The fund supports older people with getting basic living requirements such as warm clothing, heaters and food," said Dr Nick Chamberlain, Northland DHB Chief Executive.

Countdown Kids Hospital Appeal

Since the Appeal first began in 2007, Countdown customers and staff have raised $12.8m to support thousands of sick kiwi kids and their families around the country. Over those 12 years Northland DHB has received $940,000 of those funds. In December 2019 the DHB was handed a cheque for $80,000 which has made a significant difference to children with disabilities who have the use of a new wheelchair in the Child Health Centre and in the community. They were also able to purchase glucose monitoring systems for children with diabetes, a trauma stretcher, breast pumps, portable and wall mounted ophthalmoscopes for the Child Health Centre and the Children's Ward Kaitaia Hospital received portable blood pressure monitors. The team at the Child Health Service added $2,590 to the Appeal from funds raised at a Halloween Quiz night.

Health Fund PLUS

Thanks to a generous donation from Dairy Goat Co-operative Trust to Northland DHB via Health Fund PLUS, a time-saving device has been gifted into the Whangarei Hospital Special Care Baby Unit (SCBU) enabling staff to analyse test results faster. The new i-STAT Alinity Analyser is an advanced, easy-to-use, portable system that delivers real-time, lab-quality blood test results at the point of care. The system allows staff to take the technology to babies in the unit to do on-the-spot blood tests. Dairy Goat Co-operative Trust Chair, Nicola Locke, says funding focuses on organisations which aim to improve the health, education and welfare of children and families. "We are delighted to be able to support the local community in such a meaningful way. The donation fits perfectly with the mission and purpose of the Trust. The new equipment will make a big difference to the care of infants in SCBU."

After experiencing excellent pre and post-operative care at Bay of Islands and Whangarei Hospital, Russell retiree, Uwe Schmutzler contacted the Northland Community Foundation to donate $1000 to each hospital as a thank you to staff. Mr Schmutzler had both his knees replaced through Northland DHB this year and said he found all staff to be excellent. He believed that needed acknowledging, and decided to make a donation, "I hope that they will derive a bit of encouragement from this to keep up their good attitude and work that makes such a big difference to the majority of patients they need to look after." However, the generous offer came with two conditions – one, that staff had a say about how the money was to be spent. Clinical nurse managers, Grant Cochran from the General Ward at Bay of Islands Hospital and Tanya Kitchen from Ward One at Whangarei Hospital spoke with their teams, and Grant's staff decided to use the money for their monthly get-togethers, while Tanya's team chose to have a water cooler installed and to purchase a sandwich press, a jug and if there was any money left over to have a piece of art put up on the ward. The teams were thrilled by Mr Schmutzler's acknowledgement, as well as the opportunity to choose what to do with the funds. His second requirement was that he got receipts for his donation to ensure he was eligible for the 33 percent tax deduction available for all charitable contributions. This is something many people are not aware of – by donating $2,000 to Health Fund PLUS through the Foundation, Mr Schmutzler can receive a $660 tax credit, making giving back even more appealing.

Unregulated Healthcare Workers Scholarships

Four Northland DHB staff are benefiting from a scholarship that encourages staff to further their education. The scholarship was made possible by an anonymous $50,000 donation. Workforce and Wellbeing Manager, Catherine Parker received the scholarship applications and the selection panel narrowed these down to the final scholarships. A portion of the original grant ($8,995.59 excluding GST) has been distributed to the successful applicants for the 2019/20 academic year and the balance of the monies will be invested for future distribution.

BNZ Community Wall

The BNZ Community Wall was part of the Project Promise fundraising programme that was managed on behalf of Northland DHB by Northland Community Foundation. Project Promise galvanised Northland to raise $3m in three years to build the Centre. More than 400 bricks were sold during the campaign and people continue to support the ongoing work of the Centre by buying a 'brick'. The brick wall is however, now full, and the Foundation and the Jim Carney Cancer Treatment Centre are working with a local artist on options for a new fundraising initiative.

Diabetes Summer Camp

For four full days, 16 children living with type 1 diabetes from across Northland stayed together at the annual Diabetes Summer Camp at Whangarei Heads to learn about their condition, make friends and most of all, have fun! Families are only asked for a koha of $20 to contribute towards the Camp. Northland DHB pays for the food and staffing, and the remainder of the costs are covered by funds raised at the annual Diabetes Fun Run & Walk.

The successful Camp not only gives the children the chance to meet and reunite with other youth with the same health issues in the beautiful surroundings at the Manaia Baptist Camp, it also gives their parents a well-deserved break. To be eligible, attendees need to be at least seven years old, and priority is given to those that are newly diagnosed. This year, three newly diagnosed children came along and met other type 1 kids for the first time. Six out of the 16 at the Camp were using insulin pump therapy and a 16-year-old girl and 17-year-old boy with type 1 took part as youth mentors. Every year a large contingent return to the camp, including ten-year-old Siena Southall and 11-year-old Aayden Mitchell who said they look forward to coming back to meet up with friends from previous years.

The Charitable Accounts Committee

A committee of Northland DHB and Northland Community Foundation staff meets quarterly to receive and consider applications for funding from the many different services and departments of Northland DHB. Grants are made from funds held and administered by Northland Community Foundation. This year's grants include support for the Jim Carney Cancer Treatment Centre and video conferencing equipment for the Diabetes service.

Jessie Cherrington, Rayven Rayne and Dillon Gavin are thankful for a Contact Energy Renal Fund grant managed by the Northland Community Foundation on behalf of Northland DHB.

GOVERNANCE AND PARTNERSHIPS

Northland DHB Board elected 12 October 2019

Left to right - Nicole Anderson, Vince Cocurullo, John Bain, Sally Macauley, Dr Kyle Eggleton, Dr Carol Peters, Dr Nick Chamberlain (CE), Ngaire Rae (Deputy Chair) and Harry Burkhardt (Board Chair).

Absent: Debbie Evans, Libby Jones, Dr Mataroria Lyndon.

Northland DHB Appropriation

	Parent	
	2020	2019
	$000	$000
Appropriation Revenue		
Original	632,077	599,300
Supplementary	14,915	4,596
Total Appropriation Revenue	646,992	603,896

The Appropriation Revenue received equals the Government's actual expenses incurred in relation to the appropriation which is a required disclosure from the Public Finance Act. It has been appropriated towards the provision of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs by Northland DHB. The Northland DHB has provided these services in alignment with Government priorities; the strategic direction set for the health sector by the Ministry of Health; the needs of the district population and regional considerations.

Ministerial Direction

Directions issued by a Minister during the 2019/20 year, or that remain current are as follows:

- COVID-19 Response Direction 2020, issued on 17 March 2020 under section 32 of the New Zealand Public Health and Disability Act 2000 and section 103 of the Crown Entities Act 2004. The purpose of this direction is to ensure a nationally coordinated and consistent approach to the outbreak of COVID-19 across District Health Boards.

Direction to act consistently with national plans;

In accordance with District Health Boards' responsibilities under section 23 of the New Zealand Public Health and Disability Acct 2000 to plan and coordinate at local regional and national levels for the most effective and efficient delivery of health services, all District Health Boards must act consistently with the following national-level plans and policies:

a. The Government Response to the COVID-19 pandemic, informed by the New Zealand Influenza Pandemic Plan, a framework for action (Ministry of Health 2017); and

b. The National Health Emergency Plan (Ministry of Health 2015)

- Direction to support a whole of government approach as to implementation of a New Zealand Business Number, issued in May 2016 under section 107 of the Crown Entities Act. http://www.mbie.govt.nz/info-services/business/better-for- business/nzbn
- Health and Disability Services Eligibility Direction 2011, issued under section 32 of the New Zealand Public Health and Disability Act 2000. http://www.health.govt.nz/system/files/documents/pages/eligibility- direction-2011.pdf.
- Directions to support a whole of government approach, issued in April 2014 under section 107 of the Crown Entities Act. The three directions cover Procurement, ICT and Property, and the former two apply to DHBs. http://www.ssc.govt.nz/whole-of-govt-directions-dec2013
- The direction on the use of authentication services, issued in July 2008, continues to apply to all Crown agents apart from those with sizeable ICT business transitions and investment specifically listed within the 2014 direction. www.ssc.govt.nz/sites/all/files/AoG-direction-shared-authentication-services-july08.PDF

In accordance with the New Zealand Public Health and Disability Act 2000, the Board has 11 members, seven of whom were elected in October 2016 and four of whom are appointed by the Minister of Health*.

The Board also has three committees, which provide a more detailed level of focus on particular issues.

2018-2019
Board Members:

Term Commenced 5 December 2016

Sally Macauley (Chairman)
Sue Brown (Deputy Chair)*
Colin Kitchen
Craig Brown
Debbie Evans
Denise Jensen*
Dr Gary Payinda
John Bain
June McCabe*
Libby Jones
Sharon Shea*

Community & Public Health and Disability Support Advisory Committee:

This committee advises the Board on the health needs of Northlanders, including disability support needs, and any factors it believes may adversely affect the overall health status of the population. That advice must ensure that all service interventions funded and provided maximise the overall health gain such as the independence in society of people with disabilities.

Libby Jones (Chair)
Beth Cooper (external member)
Beryl Wilkinson (external member)
Craig Brown
Colin Kitchen
Jonny Wilkinson (external member)
Sally Macauley
Sharon Shea
Sue Brown

Hospital Advisory Committee:

This committee advises the Board on the financial and operational performance of Northland Health, the Board's provider of hospital and health related services. It is also required to assess strategic issues relating to the provision of these services.

John Bain (Chair)
Debbie Evans
Denise Jensen
Dr Gary Payinda
Libby Jones
Sally Macauley
Sue Brown

Finance, Risk and Assurance Committee:

June McCabe (Chair)
Craig Brown
Denise Jensen
Sally Macauley
Sue Brown

On Saturday, 12 October 2019, elections for the elected District Health Board members were held. The new Board commenced its term on 9 December, 2019.

2019-2020
Board Members:

Term commenced 9 December, 2019

Harry Burkhardt* - Chair (Ngāti Kuri)
Nicole Anderson* (Ngāpuhi)
John Bain
Vince Cocurullo
Dr Kyle Eggleton
Debbie Evans
Libby Jones
Dr Mataroria Lyndon (Ngāti Hine, Ngāti Whātua, Ngapuhi)*
Sally Macauley
Dr Carol Peters
Ngaire Rae* (Deputy Chair)

Equity in Community Committee:
(previously CPHAC/DiSAC)

This committee advises the Board on the health needs of Northlanders, including disability supports needs, and any factors it believes may adversely affect the overall health status of the population. That advice must ensure that all service interventions funded and provided maximise the overall health gain such as the independence in society of people with disabilities.

Ngaire Rae (Chair)
John Bain
Harry Burkhardt
Dr Kyle Eggleton
Libby Jones
Sally Macauley
Dr Carol Peters
Beryl Wilkinson
Jonny Wilkinson

Equity in Hospitals Committee:
(previously HAC)

Dr Mataroria Lyndon (Chair)
John Bain
Harry Burkhardt
Vince Cocurullo
Dr Kyle Eggleton
Libby Jones
Debbie Evans
Sally Macauley
Dr Carol Peters

Equity with the Resources Committee:
(previously FRAC)

Nicole Anderson (Chair)
John Bain
Harry Burkhardt
Vince Cocurullo
Dr Kyle Eggleton
Libby Jones
Sally Macauley
Dr Carol Peters

GOVERNANCE AND PARTNERSHIPS

Northland DHB Attendance at Board and Committee Meetings July 2019 – June 2020

MEMBER ATTENDANCE - Financial Year - 1 JULY 2019 - 30 JUNE 2020

	2019						2020					
BOARD	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Harry Burkhardt (Chair from 9/12/19)							✓		✓	✓	✓	
Nicole Anderson							✓		✓	✓	✓	
John Bain	✓	✓		✓	✓		×		✓	✓	✓	
Vince Cocurullo							✓		✓	✓	✓	
Kyle Eggleton							✓		✓	✓	✓	
Debbie Evans	✓	✓		✓	✓		✓		✓	✓	✓	
Libby Jones	✓	×		✓	✓		✓		×	✓	✓	
Mataroria Lyndon							×		✓	✓	✓	
Sally Macauley (Chair until 8/12/19)	✓	✓		✓	✓		✓		✓	✓	✓	
Carol Peters							✓		✓	✓	✓	
Ngaire Rae							✓		✓	✓	✓	
Craig Brown	✓	✓		✓	✓							
Sue Brown (Deputy Chair until 8/12/19)	✓	✓		✓	✓							
Denise Jensen	✓	✓		✓	✓							
June McCabe	×	✓		✓	✓							
Gary Payinda	✓	✓		×	✓							
Sharon Shea	✓	✓		✓	✓							

No Meeting Held | Board Term Commenced 9/12/19 | Board Term of Office Concluded 8/12/19

During the COVID-19 Lockdown period the Board cancelled its Advisory Committee meetings.

MEMBER ATTENDANCE - Financial Year - 1 JULY 2019 - 30 JUNE 2020

	2019						2020					
FRAC / Equity with Resources Committee	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Nicole Anderson (Chair from 9/3/2020)											✓	✓
John Bain											✓	✓
Harry Burkhardt											✓	✓
Vince Cocurullo											✓	✓
Dr Kyle Eggleton											✓	✓
Libby Jones											✓	✓
Sally Macauley			✓								✓	✓
Dr Carol Peters											✓	✓
June McCabe (Chair until 8/12/19)			✓									
Craig Brown			✓									
Sue Brown			×									
Denise Jensen			✓									

No Meeting Held | Committee Term Commenced 9/3/20 | Term of Office Concluded 8/12/19

Northland DHB Attendance at Board and Committee Meetings July 2019 – June 2020

MEMBER ATTENDANCE - Financial Year - 1 JULY 2019 - 30 JUNE 2020

	2019						2020					
HAC / Equity in Hospitals Committee	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Dr Mataroria Lyndon (Chair from 9/3/20)												
John Bain (Chair until 8/12/19)	✓	✓			✓							
Harry Burkhardt												
Vince Cocurullo												
Dr Kyle Eggleton												
Debbie Evans	✓	✓			✓							
Libby Jones	✓	✓			✓							
Sally Macauley	✓	✓			✓							
Dr Carol Peters												
Sue Brown	✓	✓			✓							
Denise Jensen	✓	✓			✓							
Dr Gary Payinda	✓	✓			✓							

No Meeting Held | Committee Term Commenced 9/3/20 | Term of Office Concluded 8/12/19

MEMBER ATTENDANCE - Financial Year - 1 JULY 2019 - 30 JUNE 2020

	2019						2020					
CPHAC/DiSAC/ Equity in the Community	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Ngaire Rae (Chair from 9/3/2020)												✓
John Bain												✓
Harry Burkhardt												✓
Dr Kyle Eggleton												✓
Libby Jones (Chair until 8/12/2019)			✓									✓
Sally Macauley			✓									✓
Dr Carol Peters												✓
Jonny Wilkinson			✓									✓
Beryl Wilkinson			✓									✓
Craig Brown			✓									
Sue Brown			✗									
Beth Cooper			✓									
Colin Kitchen			✓									
Sharon Shea			✓									

No Meeting Held | Committee Term Commenced 9/3/20 | Term of Office Concluded 8/12/19

GOVERNANCE AND PARTNERSHIPS

2016 – 2019 Northland DHB Board

Left to right - Dr Gary Payinda, Dr Nick Chamberlain (CE), Debbie Evans, Sue Brown (Deputy Chair), Denise Jensen, Sally Macauley (Chairman), Sharon Shea, Colin Kitchen, John Bain, June McCabe, Libby Jones, Craig Brown.

Craig Brown

We were deeply saddened to hear of the sudden death of Craig Brown on 23 September, 2020, a respected Northlander and Northland DHB Board member for 15 years, from 2004 - 2019.

We offer our sincerest sympathy on this terrible loss to his wife Helen, their children and grandchildren. Helen, who dedicated more than 50 years to Northland DHB in her career as a nurse, married Craig, in the Whangarei Hospital Chapel in 1969.

We remember Craig for his strong support and passion for Northland and its people. We were very fortunate to have Craig's extensive experience and knowledge as a board member for so many years. Craig also served on both the CPHAC/DISAC and Audit committees during this time.

In 2014, Craig was awarded a Member of the New Zealand Order of Merit after several decades of work in the community including 12 years on Whangarei District Council, six of which as mayor from 1998. He served four terms since 2004 on the Northland Regional Council, including three years as chairman. Craig's involvement in health and the community also includes a 35-year involvement with the Northland Ambulance Service, many years as its Chairman.

FINANCIAL & AUDIT REPORTS

For the year ended 30 June 2020

Statement of Responsibility

1 The Board is responsible for the preparation of the Northland District Health Board and group's Financial Statements and Statement of Performance and for the judgements made in them.

2 The Board of Northland District Health Board has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

3 The Board is responsible for any end-of-year performance information provided by Northland District Health Board under section 19A of the Public Finance Act 1989.

4 In the Board's opinion these Financial Statements and the Statement of Performance for the year ended 30 June 2020 fairly reflect the financial position and operations of Northland District Health Board.

Signed on behalf of the Board:

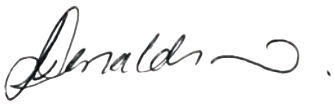
Harry Burkhardt
Board Chair

18 December, 2020

Nicole Anderson
Chair - Equity with Resources Committee
18 December, 2020

Dr Nick Chamberlain
Chief Executive

18 December, 2020



Joyce Donaldson
Acting Chief Financial Officer

18 December, 2020

Board Report

The Board has pleasure in submitting the Financial Statements and Statement of Performance for Northland District Health Board for the year to 30 June 2020.

Principal Activities

The entity's principal activities during the period were funding and the provision of health and disability services for the people of Northland with specialist treatment, community nursing, health promotion and health protection services, most of which were based on contractual arrangements with the Ministry of Health.

Northland District Health Board operates the following hospitals and related services:

- Whangarei Hospital
- Kaitaia Hospital
- Bay of Islands Hospital (Kawakawa)
- Dargaville Hospital
- Primary and community health services providing community, district and public health nursing, public health services, health promotion and health protection services.

The group result comprises of Northland DHB and its controlled entity the Kaipara Total Health Care Joint Venture (54% owned).

	2020	2019
Results and Distribution - Group	**$000s**	**$000s**
Surplus/(deficit) Before and After Tax	(21,491)	(25,201)
Financial Position		
Equity was represented by:		
Current Assets	32,035	31,931
Less Current Liabilities	(126,558)	(105,783)
Plus Non-Current Assets	250,529	243,072
Less Non-Current Liabilities	(19,489)	(18,943)
Total Equity	136,516	150,277

Review of the Operations

A review of the entity's operations accompanies this report under the heading of Message from the Chair and Chief Executive.

Distributions to Owners

No board member of the entity has, since the establishment of the Board, received or become entitled to receive a benefit, except for board and committee member fees and travel allowances, as set by the Ministry of Health. Fees paid to Board and Committee members are detailed in Note 18 of the Financial Statements.

Board Member Fees

No board member of the entity has, since the establishment of the Board, received or become entitled to receive a benefit, except for board and committee member fees and travel allowances, as set by the Ministry of Health. Fees paid to Board and Committee members are detailed in Note 18 of the Financial Statements.

Statement of Information

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

Interest Register

All relevant and required disclosures relating to Board members' interests have been effected during the year.

Board Members' Insurance

Northland District Health Board and its Board Members have taken out liability insurance providing cover against particular liabilities.

Events Subsequent to Balance Date

The Board members are not aware of any matter of circumstance since the end of the financial year (not otherwise dealt with in this report of the Board's financial statements) that may significantly affect the operation of Northland District Health Board, the result of its operations, or the state of affairs of the Board.

Board Report

Staff Remuneration

The number of staff with total cost to the entity for senior staff packages including salary and other benefits, such as superannuation, with totals in excess of $100,000 for the year to 30 June 2020 (in $10,000 bands):

		Actual 2020	Actual 2019			Actual 2020	Actual 2019			Actual 2020	Actual 2019
$100,001	- $110,000	157	122	$240,001	- $250,000	6	9	$380,001	- $390,000	6	5
$110,001	- $120,000	93	67	$250,001	- $260,000	5	8	$390,001	- $400,000	3	3
$120,001	- $130,000	46	42	$260,001	- $270,000	9	5	$400,001	- $410,000	0	1
$130,001	- $140,000	39	29	$270,001	- $280,000	9	7	$410,001	- $420,000	2	1
$140,001	- $150,000	30	21	$280,001	- $290,000	4	11	$440,001	- $450,000	0	2
$150,001	- $160,000	26	18	$290,001	- $300,000	7	7	$460,001	- $470,000	0	2
$160,001	- $170,000	21	4	$300,001	- $310,000	9	10	$470,001	- $480,000	1	0
$170,001	- $180,000	8	15	$310,001	- $320,000	8	5	$480,001	- $490,000	2	0
$180,001	- $190,000	11	5	$320,001	- $330,000	9	10	$500,001	- $510,000	0	1
$190,001	- $200,000	8	8	$330,001	- $340,000	10	6	$510,001	- $520,000	1	0
$200,001	- $210,000	7	10	$340,001	- $350,000	6	7	$520,001	- $530,000	1	1
$210,001	- $220,000	14	7	$350,001	- $360,000	3	4	$550,001	- $560,000	1	0
$220,001	- $230,000	8	13	$360,001	- $370,000	5	3	$610,001	- $620,000	1	0
$230,001	- $240,000	11	8	$370,001	- $380,000	3	3				

Of the 590 (2019:480) staff shown above, 291 (2019:245) are or were medical or dental staff (doctors).

If the remuneration of part-time staff were grossed-up to an FTE basis, the total number of staff with FTE salaries of $100,000 or more would be 821 (2019:675), compared with the actual total number of staff of 590 (2019:480)

During the year ended 30 June 2020, 36 (2019: 48) employees received compensation and other benefits in relation to cessation totalling $520,924 (2019: $709,769).

Donations

No donations were made for the year to 30 June 2020, (2019: $0).

Changes in Accounting Policies

There have been no changes in accounting policies from those adopted in the Northland District Health Board's last audited financial statements, other than those required by new standards or amendments adopted as detailed in the accounting policies.

Auditor's Remuneration

The Controller and Auditor-General is appointed under section 15 of the Public Audit Act 2001. Audit New Zealand is contracted to provide audit services on behalf of the Auditor-General. Audit New Zealand in their capacity as Auditors are due $215,007 (2019: $198,511) for audit fees for the group.

Good Employer Obligations

In accordance with section 151(1)(g) of the Crown Entities Act 2004 Northland District Health Board is compliant with its obligation to be a good employer (including its equal employment opportunities programme).

Northland District Health Board has a comprehensive range of human resource management policies and procedures in place in order to uphold its good employer status. These include but are not restricted to appointment, orientation, recruitment, leave, continuing education, credentialing, performance management, disciplinary procedures, harassment protection, impaired staff, work and family, workplace rehabilitation and equal employment opportunities.

For and on behalf of the Board of Northland District Health Board.

Harry Burkhardt
Board Chair

Independent Auditor's Report

To the readers of Northland District Health Board and Group's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Northland District Health Board (the Health Board) and its controlled entity (the Group). The Auditor-General has appointed me, Carl Wessels, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Health Board and Group on his behalf.

Opinion

We have audited:

- the financial statements of the Health Board and Group on pages 56 to 82, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in equity, statement of cash flows;
- statement of accounting policies for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Health Board on pages 16 to 33 and 42.

In our opinion:

- The financial statements of the Health Board and Group on pages 56 to 82:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2020; and
        - its financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The performance information of the Health Board on pages 16 to 33 and 42.
    - presents fairly, in all material respects, the Health Board and Group performance for the year ended 30 June 2020, including:
        - for each class of reportable outputs:

- its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;

- what has been achieved with the appropriation; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and

- complies with generally accepted accounting practice in New Zealand.

Our audit of the financial statements and the performance information was completed on 18 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to other matters. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures in the financial statements and performance information.

Uncertainties in estimating the holiday pay provision under the Holidays Act 2003

Note 15 on page 71, outlines that the Health Board has been investigating issues with the way it calculates holiday pay entitlements under the Holidays Act 2003, as part of a national approach to remediate these issues. The Health Board has estimated a provision of $18.3 million, as at 30 June 2020 to remediate these issues. However, until the process is completed, there are uncertainties surrounding the amount of this provision.

The Health Board and Group is reliant on financial support from the Crown

The statement of accounting policies on page 76 that summarises the Board's use of the going concern assumption in preparing the financial statements. The Board has considered the circumstances which could affect the validity of the going concern assumption, including its responsibility to settle the estimated historical Holidays Act 2003 liability. There is uncertainty whether the Health Board and Group will be able to settle this liability, if it becomes due within one year from approving the financial statements. To support the Board's going concern assumption, a letter of comfort was obtained from the Ministers of Health and Finance. The letter outlines that the Crown is committed to working with the Health Board and Group over the medium term to maintain its financial viability. The Crown acknowledges that equity support may need to be provided, where necessary, to maintain viability.

Impact of Covid-19

Note 22 on page 75 outlines the impact of Covid-19 on the Health Board to the financial statements and page 21 of the performance information.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Health Board and Group for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Health Board and Group for assessing the Health Board and Group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Health Board and Group or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004, the New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material

misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Health Board's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of performance expectations.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Health Board and Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Health Board and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Health Board and Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Health Board and Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the of the Health Board and Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 15, 34 to 41, 43 to 49, 55 and 83, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Health Board and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Health Board or any of its subsidiaries.

Carl Wessels
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

A hospital visit from the All Blacks was just what the doctor ordered, Patrick Tuipulotu seen here holding five-month olds Korbyn (right) and Supreme Martin-Leigh at the Child Health Centre on 27 August 2019.

Statement of Comprehensive Revenue and Expenditure

For the Year Ended 30 June 2020

	Notes	Group Budget 2020 $000	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Revenue						
Patient Care Revenue	1	718,228	731,312	689,446	731,312	689,446
Finance Revenue		211	393	494	380	479
Other Revenue	1	4,403	6,115	5,775	6,544	6,204
Total Revenue		722,842	737,820	695,715	738,236	696,129
Expenditure						
Personnel Costs	3	277,190	286,765	275,524	286,765	275,524
Depreciation and Amortisation Expense	10,11	15,671	15,607	14,638	14,999	14,030
Outsourced Services		35,641	45,336	40,343	45,336	40,343
Clinical Supplies		54,878	54,153	52,956	54,153	52,956
Infrastructure and Non-Clinical Expenses	2	31,626	31,940	30,688	32,490	31,237
Payments to other District Health Boards		85,019	85,272	84,181	85,272	84,181
Payments to Non-Health Board Providers		226,493	231,470	213,178	231,470	213,178
Finance Costs		469	507	126	507	126
Capital Charge	5	9,131	8,261	9,282	8,261	9,282
Total Expenditure		736,117	759,311	720,916	759,253	720,857
Surplus/(deficit)		(13,275)	(21,491)	(25,201)	(21,017)	(24,728)
Surplus attributable to:						
Northland District Health Board		(13,121)	(21,338)	(25,049)	(21,017)	(24,728)
Minority Interest		(154)	(153)	(152)	0	0
Other Comprehensive Revenue and Expenditure						
Movements on Property Revaluations	12	0	0	397	0	0
Total other Comprehensive Revenue and Expenditure		0	0	397	0	0
Total Comprehensive Revenue and Expenditure		(13,275)	(21,491)	(24,804)	(21,017)	(24,728)
Total Comprehensive Revenue and Expenditure attributable to:						
Northland District Health Board		(13,121)	(21,338)	(24,834)	(21,017)	(24,728)
Minority Interest		(154)	(153)	30	0	0

Explanations of major variances against budget are detailed in note 21.

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

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Notes	Group Budget 2020 $000	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Balance at 1 July		157,114	150,277	168,601	141,706	159,834
Total Comprehensive Revenue and Expenditure		(13,275)	(21,491)	(24,804)	(21,017)	(24,728)
Capital Contribution	12	19,000	7,850	6,600	7,850	6,600
Balance at 30 June	12	162,839	136,636	150,397	128,539	141,706
Distributions made to Minority Interest		(120)	(120)	(120)	0	0
Balance at 30 June	12	162,719	136,516	150,277	128,539	141,706
Total Equity attributable to:						
Northland District Health Board		159,494	131,916	145,404	128,539	141,706
Minority Interest		3,225	4,600	4,873	0	0
Balance at 30 June		162,719	136,516	150,277	128,539	141,706

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

Statement of Financial Position

As at 30 June 2020

	Notes	Group Budget 2020 $000	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Assets						
Cash and Cash Equivalents	6	(13,967)	4,851	2,508	4,750	2,487
Trade and Other Receivables	7	21,193	19,894	23,803	19,891	23,791
Term Deposits	8	435	369	359	0	0
Inventories	9	4,241	4,860	4,241	4,860	4,241
Prepayments		364	1,415	364	1,415	364
Trust/Special Fund Assets	12	426	646	656	646	656
Total Current Assets		12,692	32,035	31,931	31,562	31,539
Property, Plant and Equipment	10	241,527	230,721	223,843	221,311	213,825
Intangible Assets	11	10	1,154	1,327	1,154	1,327
Investments in controlled entities	8	0	0	0	1,896	1,896
Investments in jointly controlled entities	8	19,868	18,653	17,837	18,653	17,837
Term Deposits	8	0	0	65	0	0
Total Non-Current Assets		261,405	250,529	243,072	243,015	234,885
Total Assets		274,097	282,564	275,003	274,577	266,424
Equity						
Crown Equity	12	90,605	83,657	75,807	83,657	75,807
Other Reserves	12	109,143	109,534	109,534	102,569	102,569
Accumulated Surplus/(Deficit)	12	(40,680)	(61,921)	(40,593)	(58,333)	(37,326)
Trust/Special Fund Assets	12	426	646	656	646	656
Total Equity Attributable to Northland District Health Board		159,494	131,916	145,404	128,539	141,706
Minority Interest	12	3,225	4,600	4,873	0	0
Total Equity		162,719	136,516	150,277	128,539	141,706
Liabilities						
Trade and Other Payables	13	39,707	53,221	41,873	53,212	41,866
Interest Bearing Loans and Borrowings	14	6,326	6,391	6,632	6,391	6,632
Employee Entitlements	15	46,994	66,682	56,980	66,682	56,980
Provisions	16	0	264	298	264	298
Total Current Liabilities		93,027	126,558	105,783	126,549	105,776
Interest Bearing Loans and Borrowings	14	1,871	2,242	2,463	2,242	2,463
Employee Entitlements	15	16,480	17,247	16,480	17,247	16,480
Total Non-Current Liabilities		18,351	19,489	18,943	19,489	18,943
Total Liabilities		111,378	146,047	124,726	146,038	124,719
Total Equity and Liabilities		274,097	282,564	275,003	274,577	266,424

Explanations of major variances against budget are detailed in note 21.

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

Harry Burkhardt
Board Chair
18 December, 2020

Nicole Anderson
Chair - Equity with Resources Committee
18 December, 2020

Statement of Cash Flows

For the Year Ended 30 June 2020

	Notes	Group Budget 2020 $000	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Cash Flows from Operating Activities						
Cash Receipts from Ministry of Health and Patients		724,778	743,504	690,298	743,933	690,727
Cash Paid to Suppliers		(434,639)	(442,883)	(418,523)	(443,435)	(419,073)
Cash Paid to Employees		(280,826)	(275,783)	(255,968)	(275,783)	(255,968)
Cash Generated from Operations		9,313	24,838	15,807	24,715	15,686
Dividends Received		0	71	0	71	0
Interest Received		222	431	608	409	601
Interest Paid		(469)	(507)	(126)	(507)	(126)
Capital Charge Paid		(9,131)	(8,261)	(9,282)	(8,261)	(9,282)
Net Cash Flows from Operating Activities	6	(65)	16,572	7,007	16,427	6,879
Cash Flows From Investing Activities						
Proceeds from Sale of Property, Plant and Equipment		0	22	18	22	18
Acquisition of Property, Plant and Equipment		(33,641)	(20,836)	(22,721)	(20,836)	(22,721)
Acquisition of Investments in Associates	8	(740)	(738)	(1,629)	(738)	(1,629)
Acquisition of Investments		(11)	55	(6)	0	0
Net Cash Flows from Investing Activities		(34,392)	(21,497)	(24,338)	(21,552)	(24,332)
Cash Flows from Financing Activities						
Borrowings Raised		0	510	8,167	510	8,167
Capital Contribution	12	19,000	7,850	6,600	7,850	6,600
Borrowings (Repaid)		(898)	(972)	(848)	(972)	(848)
Distributions (Paid)	12	(120)	(120)	(120)	0	0
Net Cash Flows from Financing Activities		17,982	7,268	13,799	7,388	13,919
Net Increase/(Decrease) in Cash and Cash Equivalents		(16,475)	2,343	(3,532)	2,263	(3,534)
Cash and Cash Equivalents at Beginning of Year		2,508	2,508	6,040	2,487	6,021
Cash and Cash Equivalents at End of Year	6	(13,967)	4,851	2,508	4,750	2,487

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

Notes to Financial Statements

1 Revenue

	Notes	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Patient Care Revenue					
Ministry of Health population-based funding	21,22	695,011	655,766	695,011	655,766
Ministry of Health other contracts		15,861	15,556	15,861	15,556
Inter-district flows		12,616	10,881	12,616	10,881
ACC contract revenue		6,063	5,156	6,063	5,156
Other patient care related revenue		1,761	2,087	1,761	2,087
Total Patient Care Revenue		731,312	689,446	731,312	689,446
Other Revenue					
Donation Revenue		173	200	173	200
Other Revenue		5,942	5,575	6,371	6,004
Total Other Revenue		6,115	5,775	6,544	6,204

2 Infrastructure and Non-Clinical Expenses

		Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Included in Infrastructure and Non-Clinical Expenses:					
Impairment (reversal) of Trade Receivables (Bad and Doubtful Debts)	7	(162)	217	(162)	217
Loss/(Gain) on disposal of Property, Plant and Equipment		153	(18)	153	(18)
Audit Fees paid to Audit New Zealand for Audit of Financial Statements		215	199	209	193
Board and Committee Member Fees and Expenses		283	300	283	300
Impairment of FPIM assets	11	147	989	147	989

Northland DHB pays the audit fee of the Kaipara Total Health Care Joint Venture on the controlled entity's behalf. The fee was $5,856 (2019: $5,856).

3 Personnel Costs

		Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Wages and Salaries	21,22	268,018	248,847	268,018	248,847
Contributions to Defined Contribution Schemes		8,278	7,495	8,278	7,495
Increase /(Decrease) in Employee Entitlements		10,469	19,182	10,469	19,182
		286,765	275,524	286,765	275,524

Employer contributions to defined contribution schemes include contributions to Kiwisaver, National Provident Scheme and the Government Superannuation Fund.

4 Operating Lease Commitments

	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Less than one year	2,667	2,708	2,964	3,005
One to two years	1,886	1,910	2,183	2,207
Two to five years	3,438	3,527	4,329	4,418
Over five years	1,976	2,713	3,436	4,173
Total Operating commitments	9,967	10,858	12,912	13,803

Northland DHB leases a number of buildings, vehicles and office equipment (mainly photocopiers) under operating leases. The leases run for various lengths of time depending on requirements (for buildings) and typically 5 years (for vehicles and office equipment), with an option to renew the lease after that date. None of the leases include contingent rentals.

During the year ended 30 June 2020, $4,505k was recognised as an expense in the statement of comprehensive revenue and expenditure in respect of operating leases (2019: $4,343K).

5 Capital Charge

The Northland DHB pays a capital charge every six months to the Crown. The charge is based on actual closing equity as at 30 June and 31 December each year. The capital charge for the year ended 30 June 2020 was 6% p.a. (2019:6%).

6 Cash and Cash Equivalents

	Group		Parent	
	2020 $000	2019 $000	2020 $000	2019 $000
Cash On Hand and at Bank	111	31	10	10
Cash on Deposit with NZ Health Partnerships Limited	4,740	2,477	4,740	2,477
Balance at 30 June	4,851	2,508	4,750	2,487

There were no impairment provisions for cash and cash equivalents.

Reconciliation of Surplus for the period with Net Cash Flows from Operating Activities

	Notes	Group		Parent	
		2020 $000	2019 $000	2020 $000	2019 $000
Surplus/(deficit) for the Period		(21,491)	(25,201)	(21,017)	(24,728)
Add back Non-Cash Items:					
Depreciation, Amortisation and Assets Written Off		15,760	14,620	15,152	14,012
Other non-cash items		(2,221)	1,743	(2,221)	1,743
Movements in Working Capital:					
(Increase)/Decrease in Trade and Other Receivables		3,886	(3,985)	3,877	(3,977)
(Increase)/Decrease in Inventories		(619)	(152)	(619)	(152)
Increase/(Decrease) in Trade and Other Payables		10,822	876	10,820	876
Increase/(Decrease) In Employee Entitlements		10,469	19,182	10,469	19,182
Increase/(Decrease) in Provisions		(34)	(77)	(34)	(77)
Net Movement in Working Capital		24,524	15,844	24,513	15,852
Net Cash Inflow from Operating Activities		16,572	7,007	16,427	6,879

7 Trade and Other Receivables

	Group		Parent	
	2020 $000	2019 $000	2020 $000	2019 $000
Trade Receivables from Non-related Parties	7,527	8,161	7,524	8,149
Ministry of Health Receivables	12,601	16,038	12,601	16,038
Less: Allowance for credit losses	(234)	(396)	(234)	(396)
Balance at 30 June	19,894	23,803	19,891	23,791

7 Trade and Other Receivables *(Continued)*

As at 30 June, the allowance for credit losses is detailed below:

	Group		Group	
	Gross Receivable	Expected Credit Loss	Gross Receivable	Expected Credit Loss
	2020	2020	2019	2019
	$000	$000	$000	$000
Not past due	18,591	48	20,276	76
Past due 0-30 days	471	22	960	3
Past due 31-60 days	202	3	269	6
Past due 61-90 days	22	48	272	9
Past due >91 days	839	113	2,422	302
Total	20,125	234	24,199	396

The allowance for credit losses has been calculated based on expected losses for the Northland DHB's pool of debtors. Expected losses have been determined based on an analysis of the Northland DHB's losses in previous periods and current and foward-looking factors that might affect the recoverability of receivables, and review of specific debtors.

The movement in the allowance for credit losses is as follows:

	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
Balance 1 July	396	179	396	179
Increase in loss allowance made during the year	129	494	129	494
Receivables written off during the period	(291)	(277)	(291)	(277)
Balance at 30 June	234	396	234	396

8 Investments

	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
Investment in Controlled Entity (at cost)	0	0	1,896	1,896
Investment in Joint Ventures	18,653	17,837	18,653	17,837
Term deposits - Current portion	369	359	0	0
Term deposits - Non Current portion	0	65	0	0
Balance at 30 June	19,022	18,261	20,549	19,733

The carrying amounts of term deposits approximate their fair value.

Investment in Controlled Entity
General Information

Name of Entity	Principal Activity	Interest Held 2020	Interest Held 2019	Balance Date
Kaipara Total Health Care Joint Venture	Landlord of Dargaville Hospital	54%	54%	30 June

Investment in Associate (equity accounted investee)
General Information

Name of Entity	Principal Activity	Interest Held 2020	Interest Held 2019	Balance Date
healthAlliance N.Z. Limited	The operation of shared services for Northland, Waitemata, Auckland and Counties Manukau District Health Boards	25%	25%	30 June
HealthSource New Zealand Limited	The operation of finance, procurement and supply chain for Northland, Waitemata, Auckland and Counties Manukau District Health Boards	10%	0%	30 June
NZ Health Partnerships Limited	Provision of services to provide savings to the NZ health sector	3%	3%	30 June

During 2020 $749k of information technology and related capital expenditure (2019: $856k) was added to the carrying amount of the investment in healthAlliance. As at 30 June 2020 Northland DHB held 9.6% of allocated C class shares (2019: 9.75%).

HealthAlliance N.Z. Limited

Northland DHB holds both Class A and Class C shares in healthAlliance N.Z. Limited. Class A shares carry the ability to appoint directors and have voting rights.

Class C shares have rights to the distributions of capital or income, rights to dividends, however confer no ability to appoint directors and have no voting rights.

As the Class A shares carry voting rights, they determine the extent of the interest Northland DHB has in healthAlliance N.Z. Limited.

HealthSource New Zealand Limited

HealthSource New Zealand Limited was previously wholly owned by healthAlliance N.Z. Limited. On 9 March 2020 the Northland DHB Board approved the purchase of 10% of the direct shareholding of HealthSource New Zealand Limited for an amount of $68k, which was 10% of the company's net assets value.

NZ Health Partnerships Limited

Northland DHB holds both Class A and Class B shares in NZ Health Partnerships Limited. Class A shares carry the right to vote and appoint directors, they have rights to dividends and share of distribution of surplus assets on liquidation.

NZ Health Partnerships Limited has issued Class B shares to DHBs for the purpose of funding the development of the FPIM programme shared services. The following rights are attached to these shares:

- Class B Shares confer no voting rights.
- Class B shareholders shall have the right to access the FPIM programme shared services.
- Class B Shares confer no right to a dividend, other than a dividend to be made out of any surplus earned by NZ Health Partnerships from the FPIM programme shared services only.
- Holders of Class B Shares have the same rights as Class A shares to receive notices, reports and accounts of the Company and to attend general meetings of the Company.
- On liquidation or dissolution of the Company, each Class B shareholder shall be entitled to be paid from surplus assets of the Company an amount equal to the holder's proportional share of the liquidation value of the FPIM Programme shared services assets based upon the proportion of the total number of issued and paid up Class B Shares that it holds. Otherwise, each paid up Class B Share confers no right to a share in the distribution of the surplus assets. This payment shall be made in priority to any distribution of surplus assets in respect of Class A Shares.
  On liquidation or dissolution of the Company, each unpaid Class B Share confers no right to a share in the distribution of the surplus assets.

The following amounts represent the aggregate assets, liabilities, revenue and profit of equity accounted investees:

	Assets	Liabilities	Equity	Revenues	Profit/(Loss)
Year end 30 June 2020 (unaudited)	$000	$000	$000	$000	$000
healthAlliance N.Z. Limited	224,840	34,321	190,519	137,813	(1,777)
HealthSource New Zealand Limited	8,194	7,558	636	34,131	(41)
NZ Health Partnerships Limited					
Year end 30 June 2019					
healthAlliance N.Z. Limited	212,882	31,312	181,570	155,604	291
NZ Health Partnerships Limited	287,199	258,720	28,929	34,345	(38,014)

The 2020 financial information for healthAlliance is provided as a draft and is subject to final audit clearance as at 31 October 2020. The 2019 numbers have been restated to reflect the final result.

Share of Profit/Loss in Jointly Controlled Entities	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
Share of profit/(loss)	(448)	73	(448)	73

The DHB's share of profits of all Joint Ventures are not recorded in the financial statements of Northland DHB as they are not considered material to the financial position or performance of the DHB.

Investments in Jointly Controlled Entities	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
healthAlliance N.Z. Limited	18,585	17,836	18,585	17,836
HealthSource New Zealand Limited	67	0	67	0

The increase in healthAlliance N.Z. Limited represents the issue of additional Class C shares - these shares are non-voting and have no impact on the calculation of the DHB's share of profit/(loss). With the additional shares issued, the DHB's ownership percentage remains at 25%.

Contingencies

NZHP has contracts for the provision of IaaS relating to the NTS Programme (FPIM Hardware platform), for which stop-cost contract penalties could result in the event FPIM Hardware platform was discontinued.

If any IaaS provision was required as a result of the FPIM Programme and IT infrastructure risk mitigation reviews, and after any subsequent negotiations to mitigate any potential contract penalties, these costs would be passed through to DHBs as FPIM Programme operating expenditure. In the unlikely event that there was a discontinuance of FPIM Hardware platform and a requirement to stop the contract, for any resulting stop-cost penalties NZHP would have a contingent liability to the supplier, and an equal and corresponding contingent asset as a receivable from the DHBs. (2019 : $nil)

healthAlliance group has contingent liabilities relating to bank guarantees issued under the parent company healthAlliance N.Z. Limited by Westpac NZ Ltd in favour of Goodman Nominees for $2,894k for the future lease payments of its premises in Penrose, Auckland (2019: $2,894k).

9 Inventories

	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
Pharmaceuticals	297	283	297	283
Surgical and Medical Supplies	4,563	3,958	4,563	3,958
Balance at 30 June	4,860	4,241	4,860	4,241

No inventories are pledged as security for liabilities. However some inventories are subject to retention of title clauses.

Write-down of Inventories to net realisable value amounted to $0 for 2020 (2019: $0).

The amount of inventories recognised as an expense during the year was $41.259m (2019: $40.616m), which is included in the clinical supplies line item in the Statement of Comprehensive Revenue and Expenditure.

During the COVID-19 lockdown emergency, the DHB purchased Personal Protective Equipment (PPE) under the Government's National Emergency Supplies arrangement - these supplies, in part, were purchased at a nominal cost - the full value of the purchases are not reflected in these accounts.

10 Property, Plant and Equipment

(a) Group

	Freehold land	Freehold buildings	Plant, equipment and vehicles	Work in progress	Total
	$000	$000	$000	$000	$000
Cost					
Balance at 1 July 2018	10,497	173,048	72,355	18,589	274,489
Additions	0	133	0	21,985	22,118
Disposals	0	0	(247)	0	(247)
Movement due to Revaluation	0	396	0	0	396
Transfers	1,275	21,415	6,970	(29,660)	0
Balance at 30 June 2019	11,772	194,992	79,078	10,914	296,756
Balance at 1 July 2019	11,772	194,992	79,078	10,914	296,756
Additions	0	0	0	22,624	22,624
Disposals	0	(151)	(783)	0	(934)
Transfers	0	9,266	4,388	(13,654)	0
Balance at 30 June 2020	11,772	204,107	82,683	19,884	318,446

	Freehold land	Freehold buildings	Plant, equipment and vehicles	Work in progress	Total
	$000	$000	$000	$000	$000
Depreciation and Impairment Losses					
Balance at 1 July 2018	0	34	58,514	0	58,548
Depreciation Charge for the year	0	9,852	4,759	0	14,611
Disposals	0	0	(246)	0	(246)
Balance at 30 June 2019	0	9,886	63,027	0	72,913
Balance at 1 July 2019	0	9,886	63,027	0	72,913
Depreciation Charge for the year	0	9,711	5,870	0	15,581
Disposals	0	(13)	(756)	0	(769)
Balance at 30 June 2020	0	19,584	68,141	0	87,725

10 Property, Plant and Equipment *(Continued)*

	Freehold land	Freehold buildings	Plant, equipment and vehicles	Work in progress	Total
	$000	$000	$000	$000	$000
Carrying amounts					
At 1 July 2018	10,497	173,014	13,841	18,589	215,941
At 30 June 2019	11,772	185,106	16,051	10,914	223,843
At 1 July 2019	11,772	185,106	16,051	10,914	223,843
At 30 June 2020	11,772	184,523	14,542	19,884	230,721

(b) Parent

	Freehold land	Freehold buildings	Plant, equipment and vehicles	Work in progress	Total
	$000	$000	$000	$000	$000
Cost					
Balance at 1 July 2018	10,321	163,129	72,355	18,589	264,394
Additions	0	0	0	21,985	21,985
Disposals	0	0	(247)	0	(247)
Transfer	1,275	21,415	6,970	(29,660)	0
Balance at 30 June 2019	11,596	184,544	79,078	10,914	286,132
Balance at 1 July 2019	11,596	184,544	79,078	10,914	286,132
Additions	0	0	0	22,624	22,624
Disposals	0	(151)	(783)	0	(934)
Transfers	0	9,266	4,388	(13,654)	0
Balance at 30 June 2020	11,596	193,659	82,683	19,884	307,822

	Freehold land	Freehold buildings	Plant, equipment and vehicles	Work in progress	Total
	$000	$000	$000	$000	$000
Depreciation and Impairment Losses					
Balance at 1 July 2018	0	36	58,514	0	58,550
Depreciation Charge for the year	0	9,244	4,759	0	14,003
Disposals	0	0	(246)	0	(246)
Balance at 30 June 2019	0	9,280	63,027	0	72,307
Depreciation and Impairment Losses					
Balance at 1 July 2019	0	9,280	63,027	0	72,307
Depreciation Charge for the year	0	9,641	5,332	0	14,973
Disposals	0	(13)	(756)	0	(769)
Balance at 30 June 2020	0	18,908	67,603	0	86,511

10 Property, Plant and Equipment *(Continued)*

	Freehold land	Freehold buildings	Plant, equipment and vehicles	Work in progress	Total
	$000	$000	$000	$000	$000
Carrying Amounts					
At 1 July 2018	10,321	163,093	13,841	18,589	205,844
At 30 June 2019	11,596	175,264	16,051	10,914	213,825
At 1 July 2019	11,596	175,264	16,051	10,914	213,825
At 30 June 2020	11,596	174,751	15,080	19,884	221,311

Work in progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

	Group & Parent	
	2020	2019
	$000	$000
Buildings	15,043	9,179
Plant, equipment and vehicles	4,841	1,735
Total work in progress	19,884	10,914

Capital Commitments

	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
Buildings	5,127	5,127	10,347	2,617
Plant, equipment and vehicles	0	0	0	0
Total	5,127	5,127	10,347	2,617

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Impairment

No Impairments were recognised in the current year (2019: $0).

Property, Plant and Equipment held under Finance Lease

The net carrying amount of assets held under finance leases is $4.3m (2019: $5.7m) for land and buildings and $3.1m (2019: $3.2m) for other equipment.

Northland DHB purchased Surgical Equipment financed with a seven-year finance lease. The lessor is Stryker New Zealand Limited. Unencumbered title in the equipment passed to Northland DHB on acceptance of the equipment.

Revaluation

Current Crown accounting policies require all Crown Entities to revalue land and buildings in accordance with PBE IPSAS 17, Property, Plant and Equipment. Current valuation standards and guidance notes have been developed in association with the Treasury for the valuation of hospitals and tertiary institutions.

The revaluation of land and buildings was carried out as at 30 June 2018 by Peter Todd, an independent registered valuer of Darroch Limited and a member of the Property Institute of New Zealand. The valuations conform to International Valuation Standards. Land has been valued on a market basis and buildings excluding work in progress have been valued on a depreciated replacement cost basis because no reliable market data is available for such buildings. The valuer was contracted as an independent valuer. The next valuation is due to be completed by 30 June 2021.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets, with adjustments where appropriate for optimisation due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- For earthquake-prone buildings that are expected to be strengthened, the estimated earthquake strengthening costs have been deducted off the depreciated replacement cost in estimating fair value.
- The remaining useful life of assets is estimated using recent asset management information.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Restrictions

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

Titles to land transferred from the Crown to Northland DHB 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.

11 Intangible Assets

Parent and Group

FPIM Rights (B Class Shares in NZ Health Partnerships Limited)	Notes	2020 $000	2019 $000
Cost			
Balance at 1 July		1,291	2,207
Contribution towards FPIM assets being developed by NZ Health Partnerships Limited			73
Provision for Impairment of FPIM assets being developed by NZ Health Partnerships Limited	2	(147)	(989)
Balance at 30 June		1,144	1,291

Software	2020 $000	2019 $000
Cost		
Balance at 1 July	1,411	1,411
Additions	0	0
Balance at 30 June	1,411	1,411
Amortisation		
Balance at 1 July	1,375	1,348
Amortisation Charge for the Year	26	27
Balance at 30 June	1,401	1,375
Carrying Amounts		
Balance at 1 July	36	63
Balance at 30 June	10	36
Total Intangible Assets at 30 June	1,154	1,327

There are no development costs accounted for as intangible assets.

There are no restrictions over the title of Northland DHB's intangible assets, nor are any intangible assets pledged as security for liabilities.

Finance Procurement and Information Management System (FPIM)

New Zealand Health Partnerships has issued B class shares to DHB's to fund the development of FPIM (previously the National Oracle Solution).

The FPIM Programme asset is deemed to be a non-cash-generating asset. This is on the basis that there are no cash flows directly linked to the asset. Rather, the benefit to each DHB is the potential cost savings from a negotiated national contract above the cost of each DHB negotiating a similar contract themselves. Therefore, the applicable accounting standard is PBE IPSAS 21 Impairment of Non-Cash-Generating Assets. PBE IPSAS 21 requires an annual test for impairment by comparing the asset carrying value with its recoverable service amount.

The FPIM Business Case approved by Cabinet 24 June 2019 materially changed from the FPIM Programme paused by the Cabinet decision of 28 June 2018 and the judgements that were assumed in assessing the FPIM Programme carrying value at 30 June 2018. Key changes being:

- Only 10 out of the 20 DHB's are committing to a single system in the short to medium term;
- The Business Case conservatively reduced the benefits to only identifiable procurement spend of $642m by PHARMAC AND $102m by NZ Health Partnerships Limited. This impacts on Net Present Value calculations which formed part of the assessment of carrying value of the asset and the requirement for any impairment; and
- NZ Health Partnerships Limited now have visibility of a working system, which has been operational since July 2019 at four DHB's, on which user feedback is available in evaluating the broader initial scope and activities capitalised under Health Benefits Limited ownership prior to June 2014. It has considered how much of that work still holds value for the pared back system that was finally deployed.

Northland DHB tested the FPIM asset for impairment by determining the asset's value in use based on its depreciated replacement cost (DRC).

The FPIM programme has been restarted following a pause during COVID-19. The full programme has a full "go live" target for all entities to be transitioned by October 2021.

Based on the information and assumptions known to it, Northland DHB considers that after a further impairment of $147k (2019: 989k) of the FPIM carrying amount in all material respects, the FPIM asset costs capitalized now equal the DRC. The carrying amount now approximates its estimated future recoverable amount.

12 Equity

	Notes	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
General Funds					
Balance at 1 July		75,807	69,207	75,807	69,207
Capital Contribution		7,850	6,600	7,850	6,600
Balance at 30 June		83,657	75,807	83,657	75,807
Accumulated Surplus/(Deficit)					
Balance at 1 July		(40,593)	(15,537)	(37,326)	(12,591)
Surplus/(Deficit)		(21,338)	(25,049)	(21,017)	(24,728)
Transfer to Trust Funds		(12)	(10)	(12)	(10)
Transfer from Trust Funds		22	3	22	3
Balance at 30 June		(61,921)	(40,593)	(58,333)	(37,326)
Reserves					
Revaluation Reserve					
Balance at 1 July		109,534	109,319	102,569	102,569
Revaluations		0	215	0	0
Balance at 30 June		109,534	109,534	102,569	102,569
Revaluation Reserve consists of:					
Land		8,937	8,937	8,937	8,937
Buildings		100,597	100,597	93,632	93,632
Total Revaluation Reserve		109,534	109,534	102,569	102,569
Trust/Special Funds					
Balance at 1 July		656	649	656	649
Funds received		9	6	9	6
Interest received		3	4	3	4
Funds spent		(22)	(3)	(22)	(3)
Balance at 30 June		646	656	646	656
Minority Interest					
Balance at 1 July		4,873	4963	0	0
Surplus/Deficit for period		(153)	30	0	0
Distributions made		(120)	(120)	0	0
Total Minority Interest		4,600	4,873	0	0
Total Equity at 30 June		**136,516**	**150,277**	**128,539**	**141,706**

All trust funds are held in bank accounts that are separate from Northland DHB's normal banking facilities.
Included in the minority interest (deficit)/surplus for the period is $nil (2019:$397k) of movements on property revaluations.

13 Trade and Other Payables

	Group		Parent	
	2020 $000	2019 $000	2020 $000	2019 $000
Payables under exchange transactions				
Trade Payables to Non-related Parties	8,965	6,192	8,956	6,185
Amounts due to Related Parties	1,326	1,326	1,326	1,326
Revenue in Advance	4,859	2,570	4,859	2,570
Other Non-trade Payables and Accrued Expenses	29,367	23,265	29,367	23,265
Total payables under exchange transactions	44,517	33,353	44,508	33,346
Payables under non-exchange transactions				
Taxes payable (GST, PAYE, FBT, Withholding tax and rates)	8,704	8,520	8,704	8,520
Total payables under non-exchange transactions	8,704	8,520	8,704	8,520
Total Trade and Other Payables	53,221	41,873	53,212	41,866

Trade and Other Payables are at fair value and payable within 12 months.

14 Interest Bearing Loans and Borrowings

	Group		Parent	
	2020 $000	2019 $000	2020 $000	2019 $000
Current				
Crown Energy Efficiency Loan	284	284	284	284
Term loans - Finance Leases	6,107	6,348	6,107	6,348
	6,391	6,632	6,391	6,632
Non-Current				
Crown Energy Efficiency Loan	142	426	142	426
Term loans - Finance Leases	2,100	2,037	2,100	2,037
	2,242	2,463	2,242	2,463
Total Interest Bearing Loans and Borrowings	8,633	9,095	8,633	9,095

The Energy Efficiency and Conservation Authority $426k (2019: $710K) loan is interest free (2019 0%).

Repayable as follows:	Group		Parent	
	2020 $000	2019 $000	2020 $000	2019 $000
Within one year	284	284	284	284
Two to five years	142	426	142	426
Total	426	710	426	710

Finance lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default. The net carrying amount of assets held under finance leases is disclosed in note 10.

14 Interest Bearing Loans and Borrowings *(Continued)*

Analysis of Financial Leases

	Notes	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Minimum Lease payments payable					
Within one year		6,107	6,348	6,107	6,348
Two to five years		2,100	2,037	2,100	2,037
Total	**10**	8,207	8,385	8,207	8,385

15 Employee Entitlements

	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Current Liabilities				
Liability for Long Service Leave and Retirement Gratuities	4,581	4,666	4,581	4,666
Liability for Annual Leave	43,776	37,490	43,776	37,490
Liability for Sick Leave	614	534	614	534
Liability for Sabbatical Leave	28	23	28	23
Liability for Continuing Medical Education Leave	7,918	6,566	7,918	6,566
Salary and Wages Accrual	9,161	7,094	9,161	7,094
ACC Partnership Programme Liability	604	607	604	607
	66,682	56,980	66,682	56,980
Non-Current Liabilities				
Liability for Long Service Leave and Retirement Gratuities	15,880	15,285	15,880	15,285
Liability for Sabbatical Leave	437	437	437	437
Liability for Sick Leave	930	758	930	758
	17,247	16,480	17,247	16,480
Total Employee Entitlements	83,929	73,460	83,929	73,460

Actuarial Valuations

The long service leave, retirement gratuities, sick and sabbatical leave were valued by an independent actuary.

The present value of the retirement, sabbatical and long service leave 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 this liability include the discount rate 0.22% (2019: 1.26%) and the salary inflation factor 2% (2019: 2.7%). Any changes in these assumptions will impact on the carrying amount of the liability.

The discount rates used were obtained by finding weighted averages of returns on Government stock of different terms. The salary inflation factor has been determined after considering historical salary inflation patterns.

The valuation result is most sensitive to the assumed rates of salary growth, based on all other assumptions being unaltered, an increase in the salary inflation factor of 1% would increase the employee entitlements by $1,749k. A 1% decrease would reduce the employee entitlements by $1,509k.

15 Employee Entitlements *(Continued)*

Holidays Act 2003

A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 ("the Act").

For employers such as the DHBs that have workforces that include differential occupational groups with complex entitlements, non-standard hours, allowances and/or overtime, the process of assessing non-compliance with the Act and determining any additional payments is time consuming and complicated.

Work has been ongoing since 2016 on behalf of 20 District Health Boards (DHBs) and the New Zealand Blood Service (NZBS), with the Council of Trade Unions (CTU), health sector unions and Ministry of Business Innovation and Employment (MBIE) Labour Inspectorate, to agree on a national approach to identify, rectify and remediate any non-compliance with the Act by DHBs.

This has led to a memorandum of understanding (MOU) being agreed which (along with a Baseline Document and Framework) outlines the actions DHBs will take to assess compliance with the Act, sets out the interpretations and methods that have been agreed for calculating individual payments to employees, and sets out the agreed review process for assessing each DHB's compliance with the Baseline Document.

The review process agreed as part of the MOU commenced in 2019 and will roll-out in tranches to the DHBs and NZBS, Northland DHB believes it can make a reliable estimate of their obligation to address historic non-compliance under the MoU.

The remediation project associated with the MOU is a significant undertaking and work to assess all non-compliance will continue into the 2020/21 financial year. The final outcome of the remediation project and timeline addressing any non-compliance will not be determined until this work is completed.

Notwithstanding this, as at 30 June 2020, in preparing these financial statements, the Northland DHB recognises it has an obligation to address any historical non-compliance under the MOU and has made an estimate of its liability by undertaking its own review of its payroll processes based on the requirements of the MOU. A copy of the payroll system was created, modifications made to the system configuration and scripts run to recalculate what the value of the liability on an individual employee basis was estimated to be.

The estimated liability of $18.3 million (2019: $16.5 million) is included in the Liability for Annual Leave. This is the DHB's best estimate at this stage. The liability may change as the agreed process set out in the Framework continues and until payments are made (which is 2021 at the earliest). This liability is the DHB's best estimate at this stage, of the outcome from this project. However, until the project has progressed further, there remain uncertainties as to the actual amount the DHB will be required to pay to current and former employees.

The estimates and assumptions may differ to the subsequent actual results as further work is completed. This may result in further adjustment to the carrying amount of the provision within the next financial year or payments to employees that differ from the estimation of liability.

16 Provisions

	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
Balance at 1 July	298	375	298	375
Provision made during the year	264	298	264	298
Provision used/reversed during the year	(298)	(375)	(298)	(375)
Total Provisions	264	298	264	298

Provisions have been made for legal actions against Northland DHB, employee cessation costs and contract penalties.

17 Financial Instruments

The DHB's activities expose it to a variety of financial instrument risks, including market risk, credit risk, foreign currency risk and liquidity risk. The DHB has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Financial instruments, which potentially subject Northland DHB to concentrations of risk, consist principally of cash, short-term deposits and accounts receivable.

Credit Risk

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

The DHB places its investments with high-quality financial institutions and the DHB has a policy that limits the amount of credit exposure to any financial institution.

Concentrations of credit risk from accounts receivable are limited due to the large number and variety of customers. Northland DHB receives most of its revenue from the Ministry of Health, who is also the largest single debtor. It is assessed to be a low risk and high-quality entity due to its nature as the Government funded purchaser of health and disability support services.

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.

The status of trade receivables at the reporting date is shown in note 7.

17 Financial Instruments *(Continued)*

The table below analyses the Northland DHB's maximum credit exposure as a result of the financial instruments it is party to. The amounts disclosed are the contractual undiscounted cash flows.

	Notes	Group		Parent	
		2020	2019	2020	2019
		$000	$000	$000	$000
Cash on Hand and at Bank	6	111	31	10	10
Cash on Hand with NZ Health Partnerships Limited	6	4,740	2,477	4,740	2,477
Term Deposits	8	369	424	0	0
Trusts/Special Funds		656	656	646	656
Trade and Other Receivables	7	19,894	23,803	19,891	23,791
Total		25,770	27,391	25,287	26,934

At balance date there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Credit Quality of Financial Assets

	Notes	Group		Parent	
		2020	2019	2020	2019
Counterparties with credit ratings		$000	$000	$000	$000
Cash and cash equivalents and Investments AA-		470	445	0	0
Counterparties without credit ratings					
New Zealand Health Partnerships Limited (NZHP)		4,740	2,477	4,740	2,477
Debtors and other receivables with no default in the past		19,894	23,803	19,891	23,790
Total Counterparties without credit ratings		24,634	26,280	24,631	26,267

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that the DHB will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

The DHB mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and maintaining an overdraft facility through the "DHB Treasury Services Agreement" between NZHP and DHB's.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Notes	Carrying Amount	Contractual Cashflows	Less than 1 year	1-5 years	More than 5 years
		$000	$000	$000	$000	$000
Parent & Group 2020						
Crown Energy Efficiency Loan	14	426	426	284	142	0
Finance Leases	14	8,207	8,894	6,285	2,198	411
Trade and Other Payables	13	39,658	39,658	39,658	0	0
Total		48,291	48,978	46,227	2,340	411
Parent & Group 2019						
Crown Energy Efficiency Loan	14	710	710	284	426	0
Finance Leases	14	8,385	8,906	6,487	1,683	736
Trade and Other Payables	13	30,783	30,783	30,783	0	0
Total		39,878	40,399	37,554	2,109	736

17 Financial Instruments *(Continued)*

Market Risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The DHB has no financial instruments that give rise to price risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The DHB's exposure to fair value interest rate risk arises from bank deposits and bank loans that are at fixed rates of interest. Northland DHB does not consider there to be any significant exposure to the interest risk rate on investments.

The Board has a series of policies providing risk management for interest rates and the concentration of credit. The Board is risk averse and seeks to minimise exposure from its treasury activities.

Foreign Currency Risk

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

Northland DHB does not consider there to be any significant exposure to foreign currency risk. Only a small amount of purchases are denominated in a foreign currency, none of which were outstanding at 30 June.

Sensitivity Analysis

As at 30 June 2020, if floating interest rates had been 100 basis points higher/lower, with all other variables held constant, the surplus/deficit to Northland DHB's surplus before tax would have been approximately $10,000 (2019: $40,000) lower/higher.

Categories of Financial Assets and Liabilities

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

	Group		Parent	
	2020	2019	2020	2019
Financial Assets at Amortised Cost	$000	$000	$000	$000
Trade and Other Receivables	19,894	23,803	19,891	23,791
Trust/Special Fund Assets	646	656	646	656
Cash and Cash Equivalents	4,851	2,508	4,750	2,487
Short Term Deposits	369	424	0	0
Total Financial Assets at Amortised Cost	25,760	27,391	25,287	26,934
Financial Liabilities at Amortised Cost				
Trade and Other Payables	39,658	30,783	39,649	30,776
Interest Bearing Loans and Borrowings	8,633	9,095	8,633	9,095
Total Financial Liabilities at Amortised Cost	48,291	39,878	48,282	39,871

Treasury Services Agreement

Northland DHB is a party to the "DHB Treasury Services Agreement" between the NZHP and the participating DHBs. This Agreement enables NZHP to "Sweep" DHB bank accounts and invest surplus funds. The DHB Treasury Service Agreement provides for individual DHBs to have an overdraft with NZHP, which will incur interest at the credit interest rate received by NZHP plus an administrative margin. The maximum balance that is available to any DHB is the value of provider arm's planned monthly Crown revenue, used in determining working capital limits, is defined as 1/12th of the annual planned revenue paid by the funder arm to the provider arm as denoted in the most recent agreed Annual Plan inclusive of GST. For Northland DHB that equates to $36,987k. Due to the PBE IPSAS 30 disclosure requirements for the credit quality of the financial assets, the money with NZHP is classified under "counterparties with no credit ratings".

18 Related Parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Northland DHB would have adopted in dealing with the party at arms length in the same circumstances. Further, transactions with other government agencies (for example Government Departments and Crown Entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

18 Related Parties *(Continued)*

Board and Key Management Compensation

	Group		Parent	
	2020	2019	2020	2019
	$000	$000	$000	$000
Board members				
Remuneration	274	287	274	287
Full time equivalent members	11	11	11	11
Executive team				
Remuneration	3,350	3,280	3,350	3,280
Full time equivalent members	12	12	12	12
Total key management personnel remuneration	3,624	3,567	3,624	3,567
Total full time equivalent personnel	23	23	23	23

The full time equivalent for Board members has been determined based on 1 full time equivalent (FTE) per board member as it is difficult to quantify the estimated time for Board members.

Key management personnel costs include any compensation or other benefits paid or payable. Key management personnel consist of the CE, COO, seven General Manager roles, Chief Medical Officer, Director of Nursing and Midwifery and Director Allied Health, Scientific and Technical.

Board Member Fees

Current Board Members	**2020**	**2019**
Harry Burkhardt (Chair)	$25,240	$0
Ngaire Rae (Deputy Chair)	$15,619	$0
Dr Carol Peters	$12,745	$0
Debbie Evans	$22,170	$23,170
John Bain	$22,608	$23,608
Dr Kyle Eggleton	$12,745	$0
Libby Jones	$23,045	$24,420
Dr Mataroria Lyndon	$12,495	$0
Nicole Anderson	$12,808	$0
Sally Macauley	$32,870	$48,350
Vince Cocurullo	$12,745	$0

Former Board Members	**2020**	**2019**
Sue Brown	$12,406	$30,275
Craig Brown	$9,925	$23,670
Colin Kitchen	$9,425	$22,420
Denise Jensen	$10,175	$23,420
Gary Payinda	$7,890	$22,920
June McCabe	$9,238	$22,670
Sharon Shea	$9,425	$22,420

19 Subsequent Events

There are no significant events subsequent to balance date.

20 Capital Management

Northland DHB's capital is its equity, which comprises of crown equity, reserves, trust/special funds and accumulated comprehensive revenue and expenditure. Equity is represented by net assets. The Northland DHB manages its revenues, expenses, assets, liabilities and general financial dealings prudently in compliance with the budgetary processes. The Northland DHB's policy and objectives of managing the equity is to ensure the Northland DHB effectively achieves its goals and objectives, whilst maintaining a strong capital base. The Northland DHB policies in respect of capital management are reviewed regularly by the governing Board. There have been no material changes in the Northland DHB's management of capital during the period.

21 Variance Analysis

Overall the DHB (parent) reported an operating deficit of $21m, $8.2m unfavourable to budget. The result from business as usual operations for the year was $12.4m (marginally favourable to budget) costs in relation to the unfunded COVID-19 response $6.7m and additional provision for Holidays Act non-compliance $1.9m.

Key Financial Information	Group Actual 2020 $000	Group Budget 2020 $000	Variance $000
Operational Revenue	737,820	722,842	14,978
The revenue budget is based on the funding envelope advised by the Ministry of Health. Subsequent to this advice, further funding was made available to fund the community based COVID-19 response costs ($6.1m) and for additional services, including care and support workers pay equity, in between travel and various other programmes.			
Operational Cost (including Capital Charge)	759,311	736,117	23,194
The major factors contributing to the increase in operational expenditure are unbudgeted services provided due to COVID-19 and a provision made for the estimated cost of remediation in relation to compliance with the Holidays Act. Also contributing is the cost of providing additional services including the costs of the care and support workers pay equity settlements as detailed in the above revenue comment.			
Total Assets (excluding cash and term deposits)	277,344	287,629	10,285
The variance in total assets is largely due to delays in construction of new buildings.The impact of the COVID-19 lockdown suspended construction works for two months. Other contributors were in BOI Stage II where construction was paused for several months to resolve the gap between scope and available funding. The Theatre Expansion project has also undergone a level of value engineering to ensure continued alignment with budget.			
Total Liabilities (excluding loans)	137,414	103,181	34,233
Liabilities are higher than budget due to larger employee entitlement accruals, including the estimated cost of remediation in relation to compliance with the Holidays Act, increased annual leave entitlements including an increase in long service and gratuity actuarial valuations. Trade supplier balances were greater than budget due to large capital projects in progress and the number of days between regular payment runs in the last week of June.			
Cash Resources (cash, deposit and investment balances less loans)	(3,413)	(21,729)	18,316
Cash Resources are higher than budget primarily due to greater cash receipts from the Ministry of Health.			

The budget figures included in the financial statements are the budget figures for the Group.

22 COVID-19

Healthcare services are front line in the response to the COVID-19 pandemic. Northland DHB has had an on-going response with the impact most acute during the period February to the end of May 2020.

Since mid-March 2020 Northland DHB has been reporting weekly to the MOH the financial impacts of the pandemic in the COVID-19 financial reporting template.

For the year ended 30 June 2020 the DHB incurred unfunded net costs of over $6.7m in operational and $1.4m in capital costs. These costs include a significant increase in the annual leave liability vs budget as staff were not able to take leave during lockdown. These unfunded costs have put additional pressure on the DHBs cash flow and ability to accurately forecast cash flow timings during the year.

The DHB did not incur any financial penalties in relation to planned care reductions as the DHB was on target prior to the COVID-19 lockdown. Recovery of planned care and ensuring available capacity to meet acute demand growth will be an on-going challenge for 2020/21.

During the DHBs response to COVID-19 we have maintained delegated authority levels and business as usual internal controls.

Northland DHB assessed the impact of COVID-19 on all balance sheet accounts. Overall the DHB does not consider there to be any material impacts as at 30 June 2020. In terms of the valuation of land and buildings, the DHB engaged an independent valuer to do a desktop assessment to determine whether there had been a material movement in our land and buildings for the 30 June 2020 year end. Our last valuation was done 30 June 2018. Their assessment took into account market evidence and information as a result of the impacts of COVID-19. Their conclusion is that there is not sufficient market evidence to suggest there has been any material impact on our land and building values as a result of COVID-19. The DHB concurs with this assessment and there have been no fair value adjustments to land and buildings as at 30 June 2020.

23 Contingent Liabilities and assets

Northland DHB and group has no Contingent liabilities or assets as at 30 June 2020. (2019 $NIL)

Statement of Accounting Policies

For the year ended 30 June 2020

Reporting entity

Northland District Health Board (Northland DHB) is a Health Board established by the New Zealand Public Health and Disability Act 2000. Northland DHB has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes. It is domiciled and operates in New Zealand. Northland DHB is a Crown Entity as defined by the Crown Entities Act 2004. Northland DHB's ultimate parent is the Crown.

The consolidated financial statements of Northland DHB and group for the year ended 30 June 2020 comprise Northland DHB, its controlled entity the Kaipara Total Health Care Joint Venture (54% owned) and its jointly controlled entities healthAlliance N.Z. Limited (25% owned) and HealthSource New Zealand Limited (10% owned).

Northland DHB's activities involve funding and delivering health and disability services in a variety of ways to the community.

The financial statements were authorised for issue by the Board on 30 October 2020.

Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZGAAP).

The financial statements comply with PBE and other applicable Financial Reporting Standards, as appropriate for public benefit entities. They have been prepared in accordance with Tier 1 PBE Accounting Standards and are on a going-concern basis.

Going Concern

The Board has considered the circumstances which could affect the validity of the going concern assumption, including its responsibility to settle the estimated historical Holidays Act 2003 liability. There is uncertainty whether Northland DHB will be able to settle this liability, if it becomes due within one year from approving the financial statements. To support the Board's going concern assumption, a letter of comfort was obtained from the Ministers of Health and Finance. The letter outlines that the Crown is committed to working with Northland DHB over the medium term to maintain its financial viability. The Crown acknowledges that equity support may need to be provided, where necessary, to maintain viability.

Presentation currency

The financial statements are presented in New Zealand Dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Northland DHB and its subsidiary is New Zealand dollars (NZ$).

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

Critical accounting estimates and assumptions

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Land and buildings revaluations

Note 10 provides information about the estimates and assumptions applied in the measurement of revalued land and buildings.

Long service leave, retirement gratuities and Holidays Act 2003 liability

Note 15 provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities, as well as leave entitlements under the Holidays Act 2003.

Estimating useful lives and residual values of property, plant and equipment

The useful lives and residual values of property, plant and equipment are reviewed at each balance date. Assessing the appropriateness of useful life and residual value estimates requires Northland DHB to consider a number of factors such as the physical condition of the asset, advances in medical technology, expected period of use of the asset by Northland DHB, and expected disposal proceeds (if any) from the future sale of the asset.

Critical judgements in applying accounting policies

Leases classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Northland DHB.

Judgment is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Northland DHB has exercised its judgment on the appropriate classification of leases, and has classified finance lease appropriately.

Statement of Accounting Policies

Changes in accounting policies

Goods and Services tax

The DHB has changed the accounting treatment of net GST paid to and received from the IRD in the statement of cash flows. Previously these cash flows were disclosed separately within operating cash flows. The cash flows are now amalgamated with cash paid to suppliers, within operating cash flows. The reasons for the change are for consistent treatment of GST between the statement of cash flows and the statement of financial position and budgeted GST cash flows. The amount of net GST paid to the IRD for the year ended 30 June 2020 was $ 416k (2019: $381k refunded).

Intangible assets – Finance procurement and Information Management System (FPIM)

The DHB has changed the accounting treatment for the recognition and subsequent measurement of the FPIM investment. The DHB previously accounted for the investment as an indefinite life intangible asset.

Further to a recent accounting opinion obtained by NZHPL, the DHB will use a combination of accounting treatments to account for this investment. The new treatment of this investment is disclosed in the intangible assets accounting policy.

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards were effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The DHB has applied these new standards in preparing the 30 June 2020 financial statements. Adoption of these new standards has had no impact on the financial statements.

Standard early adopted

There have been no standards early adopted during the financial year.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. Northland DHB does not intend to early adopt the amendment.

PBE IPSAS 41 Financial Instruments

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes most of PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022.

The main changes compared to PBE IPSAS 29 that are relevant to the DHB are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The DHB intends to adopt PBE IPSAS 41 for the 30 June 2023 financial year.

Although Northland DHB has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Northland DHB has not yet determined how application of PBE FRS 48 will affect its statement of performance.

Basis for consolidation

Subsidiaries

Subsidiaries are entities controlled by Northland DHB. Control exists when Northland DHB is exposed, or has rights to, variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements include the parent (Northland DHB) and its subsidiary. The subsidiary is accounted for using the acquisition method, which involves adding together corresponding assets, liabilities, revenues and expenses on a line by line basis.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or revenue and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiaries are carried at cost in Northland DHB's own "parent entity" financial statements.

Investments in Joint Ventures

Joint Ventures are those entities over whose activities Northland DHB has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Joint Ventures are not accounted for using the equity method as they are not material.

Investments in Joint Ventures are carried at cost in Northland DHB's own parent entity and group financial statements.

Statement of Accounting Policies

Budget figures

The group budget figures presented in the financial statements comprise of the Northland DHB parent figures that were approved in its statement of performance expectations and the subsidiary's budget figures that were approved by its own board. The budget figures have been prepared in accordance with GAAP using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Foreign currency transactions

Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit with NZ Health Partnerships Limited, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses.

Northland DHB bases the measurement of expected credit losses on forward-looking information, as well as current and historic information. They have been grouped based on the days past due.

Short term receivables are written off when there is no reasonable expectation of recovery.

Trade and other payables

Trade and other payables are recorded at their face value.

Investments

Bank term deposits

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

Inventories

Inventories held for distribution in the provision of services that are not supplied on a commercial basis are measured at cost (using the average weighted cost method) and adjusted when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the average weighted cost method) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

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 surplus or deficit over the period of the borrowings on an effective interest basis. Borrowings are classified as current liabilities unless Northland DHB has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Property, plant and equipment

Property, plant and equipment consists of the following asset classes: land, buildings and plant, equipment and motor vehicles.

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 accumulated 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.

Revaluations

Land and buildings are revalued to fair value as determined by an independent registered valuer at least every three years or, where there is evidence of a significant change in fair value. The net revaluation results are credited or debited to other comprehensive revenue and is accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

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

Property, plant and equipment vested from the Hospital and Health Service

Under section 95(3) of the New Zealand Public Health and Disability Act 2000, the assets of Northland Health Limited (a hospital and health service company) were vested in Northland DHB on 1 January 2001. Accordingly, assets were transferred to Northland DHB at their net book values as recorded in the books of the hospital and health service. In effecting this transfer, the Northland DHB 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.

Statement of Accounting Policies

Disposal of property, plant and equipment

Where an item of plant and equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sales price and the carrying amount of the asset. The gain or loss is recognised in the reported net surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Additions to property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Northland DHB and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred, if it is probable that the service potential or future economic benefits embodied within the new item will flow to Northland DHB. All other costs are recognised in the statement of comprehensive revenue as an expense as incurred. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided using the straight line method on all property plant and equipment other than land, and recognised in the surplus or deficit.

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

Class of asset	Estimated life	Depreciation rate
Buildings (including components)	10 to 70 years	(1.4% - 10%)
Plant and Equipment	1 to 15 years	(6.6% - 100%)
Motor Vehicles	5 to 15 years	(6.6% - 20%)

The residual value of assets is reassessed annually to determine if there is any indication of impairment.

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

Borrowing costs

Borrowing costs are recognised as an expense in the period which they are incurred.

Intangible assets

Intangible assets that are acquired by Northland DHB are stated at cost less accumulated amortisation and impairment losses.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset.

Costs that are directly associated with the development of software for internal use, are recognised as an intangible asset. Direct costs can include the software development employee costs and an appropriate portion of relevant overheads.

Subsequent expenditure

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

Finance, Procurement and Information Management System (FPIM)

The Finance, Procurement and Information Management System (FPIM) is a national initiative funded by DHBs and facilitated by NZ Health Partnerships Limited (NZHPL) to deliver sector wide benefits. NZHPL holds an intangible asset recognised at the capital cost of development relating to this programme.

Northland DHB holds:

-an intangible asset for the cost of capital invested by Northland DHB in the FPIM application. This is is reviewed for impairment at each balance date;

-an intangible asset for the cost of capital invested by Northland DHB in the FPIM central implementation costs. This will be amortised over 15 years when the asset is brought into use in October 2020 (as at 30 June these costs paid to date are recognised as a prepayment); and

-a prepayment for the costs paid in relation to the core build of the FPIM Hardware. This will be recognised as an expense over a five year period from October 2020.

Amortisation

Amortisation is provided in the surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

Class of asset	Estimated life	Amortisation rate
Software	2 to 3 years	(33% - 50%)
FPIM	14 to 15 years	(6% - 7%)

Impairment of property, plant and equipment and intangible assets

Northland DHB does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a cash return.

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the fair value of an asset cannot be reliably determined by reference to market based evidence. Specialised Hospital Buildings are an example of this.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue to the extent the impairment loss does not exceed the amount in the revaluation reserve in equity for that same class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Employee benefits

Defined contribution schemes

Obligations for contributions to defined contribution plans are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

Northland DHB makes employer contributions to the Defined Benefits 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.

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, continuing medical education leave, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months after the end of the year in which the employee renders the related service, such as sabbatical leave, long service leave, and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, continuing medical education leave, annual leave, long service leave that is available for use, and sabbatical leave that is available for use are classified as a current liability. Long service leave, sabbatical leave, and retirement gratuities expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

Bonuses

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Provisions

A provision is recognised at fair value when Northland DHB has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and that a reliable estimate can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. The movement in provisions are recognised in the surplus or deficit.

Restructuring

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has either been announced publicly to those affected, or for which implementation has already commenced.

ACC Accredited Employers Programme

Northland DHB belongs to the ACC Accredited Employers Programme (the "Full Self Cover Plan") whereby Northland DHB accepts the management and financial responsibility for employee work-related illnesses and accidents. Under the programme, Northland DHB is liable for all claims costs for a period of two years after the end of the cover period in which the injury occurred. At the end of the two-year period, Northland DHB pays a premium to ACC for the value of residual claims, and from that point the liability for ongoing claims passes to ACC.

The liability for the ACC Accredited Employers Programme is measured using actuarial techniques at the present value of expected future payments to be made in respect of the employee injuries and claims up to balance date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely to possible, the estimated future cash outflows.

Statement of Accounting Policies

Equity

Equity is the community's interest in Northland DHB and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components.

The components of equity are Retained Earnings, Revaluation Reserve (consisting of Land and Buildings), non-controlling interest in the group and Trust/Special Funds. The minority interest in the group is represented by the joint venture partner in the controlled entity.

Trust/Special Funds

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

Property revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserves

The specific accounting policies for significant revenue items are explained below.

Revenue

The specific accounting policies for significant revenue items are explained below.

Ministry of Health population-based revenue

Northland DHB receives annual funding from the Ministry of Health, which is based on population levels within the Northland DHB region.

Ministry of Health population-based revenue for the financial year is recognised based on the funding entitlement for that year.

Ministry of Health Contract Revenue

The revenue recognition approach for Ministry of Health contract revenue depends on the contract terms. Those contracts where the amount of revenue is substantively linked to the provision of quantifiable units of service are treated as exchange contracts and revenue is recognised as Northland DHB provides the services. For example, where funding varies based on the quantity of services delivered, such as number of screening tests or heart checks. Other contracts are treated as non-exchange and the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to provide services to the satisfaction of the funder to receive or retain funding. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the service requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as the past practice of the funder. Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding arrangements.

Goods sold and services rendered

Revenue from goods sold is recognised when Northland DHB has transferred to the buyer the significant risks and rewards of ownership of the goods and Northland DHB 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 Northland DHB and that payment can be measured or estimated reliably, and to the extent that any obligations and all conditions have been satisfied by Northland DHB.

Revenue from other DHBs

Inter-district patient inflow revenue occurs when a patient treated within the Northland DHB region is domiciled outside of Northland. The Ministry of Health credits Northland DHB with a monthly amount based on an estimated patient treatment for non-Northland residents within Northland. An annual wash-up occurs at year end to reflect the number of non-Northland patients treated at Northland DHB.

Donated services

Certain operations of the Northland DHB are reliant on services provided by volunteers. Volunteer services received are not recognised as revenue or expenditure by Northland DHB.

ACC contract revenue

ACC contract revenue is recognised as revenue when eligible services are provided and any contract conditions have been fulfilled.

Rental revenue

Rental revenue is recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue over the lease term.

Interest

Interest revenue is recognised using the effective interest method.

Expenses

Operating leases

An operating lease is a lease whose term is short compared to the useful life of the asset or piece of equipment and does not transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee.

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

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

Statement of Accounting Policies

At the commencement of the lease term, finance leases where Northland DHB is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financing costs

Net financing costs comprise of interest paid and payable on borrowings, calculated using the effective interest rate method and are recognised as an expense in the financial year in which they are incurred.

Capital charge

The capital charge is recognised as an expense in the financial year to which the charge relates. The intention of the capital charge is to make explicit the true costs of the taxpayers' investment by requiring recognition of those costs.

Contingent liabilities

Contingent liabilities are recorded in the Statement of Contingent Liabilities at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

Cost of service (Statement of Performance)

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

Cost allocation

Northland DHB has arrived at the net cost of service for each significant activity using the cost allocation system outlined below:

Cost allocation policy

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

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

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

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.

Income tax

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

Goods and services tax

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is disclosed in combination with supplier payments and classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Northland DHB Public Health attended the 2020 Children's Day event to promote B4 School Checks, Kia Piki Te Hauora, Immunisation and Safe Families.

Acronyms

Acronym	Meaning
AAU	Acute Assessment Unit
ALOS	Average length of stay
ARC	Aged residential care
ASH	Ambulatory sensitive hospitalisation, a subset of avoidable hospitalisations (sometimes also Action on Smoking and Health)
ASMS	Association of Salaried Medical Specialists
BAU	Business as usual
BMI	Body Mass Index (a measure of healthy weight)
COPD	Chronic obstructive pulmonary disease
CVD	Cardiovascular disease
DHB	District Health Board
DMFT	Decayed, missing, filled teeth; a measure of total damaged teeth in the mouth
DNA	Did not attend
ECMS	Enterprise Content Management System, a large file-holding and file-sharing database
ED	Emergency Department
ELT	Executive Leadership Team (of Northland DHB)
FSA	First specialist appointment
FTE	Full time equivalent (= 40 hours a week of work time)
GDP	Gross Domestic Product
GP	General Practitioner
HCSS	Home and community support services (for older people)
HOP	Health of older people
HQSC	Health Quality and Safety Commission
IFHC	Integrated family health centre
interRai	A collaborative network of researchers in over 30 countries who promote evidence-based clinical practice and policy to improve healthcare for persons who are elderly, frail, or disabled
IT	Information technology
KPI	Key performance indicator
KRONOS	A business support financial system
LTC(s)	Long-term condition(s)
MELT	Medical Executive Leadership Team
NDHB	Northland District Health Board
NGO	Non-government organisation
NHSP	Northland Health Services Plan
PBF(F)	Population Based Funding (Formula)
PHO	Primary Health Organisation
POPN	Primary Options Programme Northland
PRIMHD	Programme for the Integration of Mental Health Data
Q	Quarter (of the year); either Jul-Sep, Oct-Dec, Jan-Mar or Apr-Jun
ROERS	Radiology orders and eResults sign-off
OMG	Operational Management Group
SMO	Senior Medical Officer
SPE	Statement of Performance Expectations What we expect to achieve in the coming year, included as an appendix in our Annual Plan. When the year is over, the SPE becomes the basis upon which the Statement of Performance is prepared
Statement of Performance Expectations	What we expect to achieve in the coming year, included as an appendix in our Annual Plan. When the year is over, the SPE becomes the basis upon which the Statement of Performance is prepared
STI	Sexually transmitted infection
SUDI	Sudden unexpected death in infancy (also sometimes sudden unexplained death in infancy)
SWOT	Strengths, weaknesses, opportunities, threats
TLA	Territorial Local Authority
VfM	Value for money

Directory

CURRENT BOARD MEMBERS AS AT 30 JUNE 2020

***Appointed by the Minister of Health**
Harry Burkhardt* - Chair (Ngāti Kuri)
Nicole Anderson* (Ngāpuhi)
John Bain
Vince Cocurullo
Dr Kyle Eggleton
Debbie Evans
Libby Jones
Dr Mataroria Lyndon (Ngāti Hine, Ngāti Whātua, Ngāpuhi)*
Sally Macauley
Dr Carol Peters
Ngaire Rae* (Deputy Chair)

EXECUTIVE OFFICERS AS AT 30 JUNE 2020

Dr Nick Chamberlain, Chief Executive
Neil Beney, General Manager, Medicine, Health of Older People, Emergency & Clinical Support
Dr Jo Coates, Clinical Director – Innovation and Transformation
Joyce Donaldson, Acting General Manager, Finance, Funding & Commercial Services
Dr Chris Harmston, Clinical Director – Innovation and Transformation
Dr David Hammer, Clinical Director – Innovation and Transformation
Mark McGinley, General Manager, Surgical, Pathology and Ambulatory Services
Ian McKenzie, General Manager, Mental Health & Addiction Services
Dr Andrew Miller, GP Representative
Marty Rogers, Acting General Manager, Māori Health
Dr Michael Roberts, Chief Medical Officer
Dee Telfer, Acting Director of Nursing and Midwifery
Dr Jenny Walker, Associate Chief Medical Officer
John Wansbone, General Manager, Planning, Integration, People & Performance
Jeanette Wedding, General Manager, Rural, Family and Community
Pip Zammit, Director of Scientific, Technical, Allied Health

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Audit New Zealand on behalf of the Office of the Controller & Auditor General

BANKERS
Bank of New Zealand

SOLICITORS
Webb Ross Lawyers, Whangarei

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www.northlanddhb.org.nz

NORTHLAND DISTRICT HEALTH BOARD
Te Poari Hauora Ā Rohe O Te Taitokerau