



## **AUCKLAND DISTRICT HEALTH BOARD**

**Minutes of the Auckland District Health Board meeting  
held on Thursday 3 February 2005  
in the Marion Davis Library, Building 43,  
Auckland City Hospital, Grafton  
commencing at 1:30 pm**

### **1. ATTENDANCE AND APOLOGIES**

#### **Board Members**

Wayne Brown (Chair)  
Ross Keenan  
Tony Bierre  
Jackie Blue  
Chris Chambers  
Barry de Geest  
Virginia Hope  
Di Nash  
John Retimana  
Ian Scott

#### **In Attendance**

Graham Aitken – Board Advisor

#### **Management in Attendance**

Garry Smith – Chief Executive Officer  
Denis Jury – Chief Planning and Funding Officer  
Warwick Russell – Acting Chief Financial Officer  
Nigel Murray – General Manager Auckland City Hospital  
Andrew Norton – General Manager Human Resources  
David Sage – Chief Medical Officer  
Ian Bell – Board Administrator

#### **Apologies**

The Chair declared the meeting open at 1:55 pm.  
An apology had been received from Harry Burkhardt.

### **2. PRESENTATION – POPULATION BASED FUNDING**

Due to the inability of the Ministry of Health presenters to attend the meeting, the presentation was deferred to the March meeting. The presentation was to be educative and Population Based Funding would be one of the issues to be raised at the Select Committee hearings.

### **3. CONFIRMATION OF MINUTES**

#### **3.1 2 December 2004**

Moved Ian Scott, seconded John Retimana

*That the minutes of the meeting with the Auckland District Health Board held on 2 December 2004 be confirmed as a true and correct record.*

Carried

#### **3.2 6 December 2004**

Moved Tony Bierre, seconded Virginia Hope

*That the minutes of the meeting with the Auckland District Health Board held on 6 December 2004 be confirmed as a true and correct record.*

Carried

Di Nash, Ian Scott and Virginia Hope are to interview the candidates for the CPHAC. Ross Keenan would attend the regional DSAC meetings. The Chair of the DSAC Committee was to advise the Board Administrator if he wished to have additional meetings.

### **4. ACTION POINTS**

#### **4.1 2 December 2004**

#### **4.2 6 December 2004**

The action points were noted.

### **5. CHAIRMAN**

#### **5.1 Report**

Wayne Brown reported to the Board:

- Work was being progressed on the next year's Annual Plan but that it was not looking good
- Advising the CFO to review presentation of information with a view to getting more clarity
- He had attended two meetings with Gordon Davies, Deputy Director General, Ministry of Health and Graham Aitken, Board Advisor
- Ross Keenan would Chair a regional forum focused on regional issues
- Preparations were being made for the Select Committee hearings. The response to the Select Committees questions was to be distributed to Board members. Board members were welcome to attend the Select Committee hearings and he would appreciate their support.
- The list of members of the Select Committee was to be obtained.
- Attended Maori Health Advisory Committee which was valuable.

## **5.2 Community and Public Health Advisory Committee Appointments**

Moved Wayne Brown, seconded Di Nash

*That the Auckland District Health Board:*

1. *adopts the Terms of Reference for the Community and Public Health Advisory Committee dated April 2004*
2. *appoints the following as members:*
  - Chair: Wayne Brown*
  - Board Members: All Board Members*
  - External Members: Mark Wills*

*Determines that the term of office of members expires on the coming into office of the Board elected or appointed at or following the next general election of Board members*

Carried

## **5.3 Hospital Advisory Committee Appointments**

Moved Wayne Brown, seconded Ian Scott

*That the Auckland District Health Board:*

1. *adopts the Terms of Reference for the Hospital Advisory Committee dated April 2004*
2. *appoints the following as members:*
  - Chair: Wayne Brown*
  - Board Members: All Board Members*
  - External Members: Professor Pat Alley*  
*Professor Peter Smith*
3. *Determines that the term of office of members expires on the coming into office of the Board elected or appointed at or following the next general election of Board members.*

Carried

## **5.4 Disability Support Advisory Committee Appointments**

The appointment of members to the Disability Support Advisory Committee would be addressed in March. Barry de Geest was to review possible members' CVs and suggest nominees to the Board.

## 5.5 Maori Health Advisory Committee Appointments

Moved Ian Scott; seconded John Retimana

*That the Auckland District Health Board:*

1. *adopts the Terms of Reference for the Maori Health Advisory Committee*
2. *appoints the following as members:*

*Chair: Rob Cooper*  
*Board Members: Harry Burkhardt*  
*John Retimana*

*By rotation: Tony Bierre, Jackie Blue, Chris Chambers*

*External Members: Aroha Hudson*  
*Jonathan Koea*  
*Puawai Rameka*  
*Bernard Te Paa*

*Determines that the term of office of members expires on the coming into office of the Board elected or appointed at or following the next general election of Board members*

Carried

## 5.6 Audit Committee Appointments

Moved Wayne Brown, seconded Ian Scott

*That the Auckland District Health Board:*

1. *adopts the Terms of Reference for the Audit Committee dated September 2003*
2. *appoints the following as members:*

*Chair: Harry Burkhardt*  
*Members: Tony Bierre*  
*Wayne Brown*  
*Barry de Geest*  
*Ian Scott*

3. *Determines that the term of office of members expires on the coming into office of the Board elected or appointed at or following the next general election of Board members*

Carried

The Chairman is to discuss membership of the Committee with Vicki Salmon.

## **5.7 Quality Committee Appointments**

### Moved Di Nash, seconded John Retimana

*That the Auckland District Health Board:*

1. *adopts the Terms of Reference for the Quality Committee dated April 2004*
2. *appoints the following as members:*

*Chair: Di Nash*  
*Members: Tony Bierre*  
*Jackie Blue*  
*Chris Chambers*  
*John Retimana*  
*Virginia Hope*

*Determines that the term of office of members expires on the coming into office of the Board elected or appointed at or following the next general election of Board members*

Carried

## **5.8 Remuneration Committee Appointments**

### Moved Wayne Brown, seconded Ian Scott

*That the Auckland District Health Board:*

1. *adopts the Terms of Reference for the Remuneration Committee*
2. *appoints the following as members:*

*Chair: John Retimana*  
*Members: All Board Members*

*Determines that the term of office of members expires on the coming into office of the Board elected or appointed at or following the next general election of Board members*

Carried

## **5.9 Minister's Assessment of District Health Board's 2003/2004 Performances**

A reply was being drafted to the Minister's assessment including correcting points of error such as ADHB had been supplying data related to Maori in management and clinical positions to the Ministry of Health. With reference to the diabetes "get checked" programme, checks were occurring but may not have been recorded. Once the response to the Minister's letter had been finalised it would be distributed to Board members. Board members responses and suggestions are to be emailed to the Board Administrator by Wednesday 9 February 2004.

A review of progress against points raised in the letter is to be undertaken in 3 months time.

## **6. CHIEF EXECUTIVE OFFICER**

### **6.1 Report**

Management were working to obtain the results in the District Annual Plan with issues being direct treatment costs, the mental health carry over of expenditure with workforce capacity issues, risks of claw back through IDFs and the risks concerning Older People. Some areas of the budget had been too aggressive however savings were being sought

to compensate for these. Forecasts forward predicted a growth in direct treatment costs and wages so considerable work was being undertaken on the forward financials.

The support from other DHBs in benchmarking work as well as input from Gordon Davies, Deputy Director General and Graham Aitken was appreciated. Benchmarking was a major part of forward planning and there was a focus on overall contributions from the Provider arm, this latter work being lead by the CFO. This was comparing with other DHBs, particularly where losses were being made, looking at particular services, efficiency/prices and plans for specific savings.

Ian Scott left the meeting at 2:30pm.

Infrastructural costs were being separated to be addressed in a different way. A note had been received from Gordon Davies concerning operating theatres which were loss making across New Zealand so benchmarking was related to relatively efficiency both staff related and actively related. Benchmarking allowed other DHBs the opportunity to look at themselves and ADHB was a member of the Health Round Table consisting of 43 Australasian facilities which now was developing a New Zealand local chapter.

A Clinical Practice Committee was being established to get more clinical involvement with management under the "integrated governance model". This model is to be presented to the Board including linkages into Board governance.

All ambulatory services were currently under review to see that there is appropriate delivery to ADHB's population and that there is transparency with other DHBs. Regional projects would benefit from the Deputy Chair across the 3 DHBs providing an avenue and forum to debate issues. Nigel Murray was involved on the national project reviews of RMOs and SMOs.

ADHB was a shareholder in the Northern Clinical Training Network and their annual report was included in the papers with a clear audit report.

## **6.2 2004 – 2005 District Annual Plan**

The Executive Summary and Part One of the District Annual Plan had been distributed to Board members separately with now a focus on outer years.

## **7. FINANCIAL REPORT – DECEMBER 2004**

Reporting was being reviewed to separate out services within Adult Health and eliminate such centres as the 24 Hour Centre and the Building Programme which would come to a end at the 30 June 2005. The simplified reports were an attempt to summarise while concentrating on and highlighting major variances. Risks were under the delivery of volumes in Women's Health and direct treatment costs. The budget has been increased from \$66m deficit to \$83m with the inclusion of asbestos removal and last year's under spend in Mental Health. The 2005 DAP Risks and Mitigation report identified and reported on risks, including identified new risks, to performance as well as identifying who was responsible. The cashflow was favourable to budget with delays in capital spend and January's funding being received in advance in December.

The land value on the balance sheet was \$3.7m and re-valuation had been postponed as it would have increased the capital charge as well as there being a question of Board members signing off on a valuation they did not believe in. Increase in value would



however improve the balance sheet covenant position at the expense of increasing the annual operating loss. With the land being possibly included in Treaty Settlements it would be interesting to have Ngati Whatua's position on value.

The subordination of some CFA debt was still being considered as was the position with the issued bonds. Applications had been made for additional equity both for HSDP and for deficit support to rectify a breach of the interest cover covenant at 31 December 2004.

## **10. AUDIT COMMITTEE**

The Audit Committee had met the previous day.

### **10.2 Airline Travel**

Ross Keenan declared an interest in that he was an ex-director of Qantas New Zealand Limited. While the Audit Committee had supported the recommendation, the Board felt that the major issue was managing volumes not price and that the Board wished to maintain flexibility in a volatile market and not to be confined to one particular arrangement.

### **10.3 Siblings Play Room and Mothers Walking Track**

Moved Barry de Geest, seconded Di Nash

*That the Auckland District Health Board approves the expenditure of \$455,015 on a sibling play room and mothers walking track noting that funding is \$40,000 from the HSDP programme and the balance is from donated funds. This approval is subject to the facilities being accessible to disabled persons.*

Carried

## **11. GENERAL BUSINESS**

The question of venues for Board meetings including ventilation and sound was raised.

## **12. NEXT MEETING**

The meeting closed at 3:12pm.

The next meeting will be held on:  
Thursday 3 March 2005  
Rangitoto Room  
Level 3 – LabPlus  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....