

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Monday 4 February 2008, in the Marion Davis Library,  
Building 43, Auckland City Hospital, Grafton  
commencing at 1:30 pm

### 1. ATTENDANCE AND APOLOGIES, CONFLICTS OF INTEREST

#### Board Members

Pat Snedden (Chair)	Jo Agnew
Susan Buckland	Harry Burkhardt
Dr Chris Chambers	Rob Cooper
Brian Fergus	Dr Ian Scott
Bob Tizard	Seiuli Dr Juliet Walker
Ian Ward	

#### Management in Attendance

Garry Smith – Chief Executive  
Dr Denis Jury – Chief Planning & Funding Officer  
Roger Jarrold – Chief Financial Officer  
Greg Balla – Director Performance & Provider Development  
Taima Campbell – Executive Director Nursing  
Andrew Keenan – Group Manager Quality  
Janice Mueller – Director Allied Health  
Vivienne Rawlings – GM Human Resources Operations  
Ian Bell – Board Administrator

#### Apologies, Conflicts of Interest

The Chair declared the meeting open at 1:45 pm.

The Chair suggested a change of format for the interests register and this be published in the Board agenda. The Conflicts of Interest Quick Reference Guide was a tool for Chairs of Committees.

#### Moved Pat Snedden, seconded Rob Cooper

*That the Auckland District Health Board adopts the Conflicts of Interest Quick Reference Guide and amends the format for the Interests Register.*

#### Carried

No conflicts of interest with items on the agenda were declared.

## 2. CONFIRMATION OF MINUTES – 6 DECEMBER 2007

Moved Chris Chambers, seconded Harry Burkhardt

*That the minutes of the Auckland District Health Board meeting held on 6 December 2007 be confirmed as a true and correct record.*

Carried

## 3. ACTION POINTS – 6 DECEMBER 2007

The CEO advised the six major challenges suggesting that there is an opportunity in the District Annual Plan to escalate the key issues rather than writing to the Minister. The Chair advised that he has a weekly conversation with the Minister and was happy to pick up issues to brief the Minister with the CEO.

### **Regional Position**

The Ross Keenan report on the regional position was to be redistributed to the Board.

## 4. CHAIRMAN

### 4.1 Report

The Chair acknowledged the previous Board and management in turning the performance of ADHB around, setting clear directions and providing leadership. An emphasis going forward would be on Pacific and Maori and also the emerging South Asian populations. Opportunity would be given in the Board meeting for Pacific and Maori to brief the Board.

### 4.2 Committee Appointments

The following resolutions were internal appointments and over the next month the question of external appointments on Committees would be addressed.

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

Moved Susan Buckland, seconded Brian Fergus

*That ADHB Board appoints the following as members of the Community and Public Health Advisory Committee:*

*Rob Cooper (Chair)*

*Jo Agnew*

*Susan Buckland*

*Harry Burkhardt*

*Chris Chambers*

*Brian Fergus*

*Ian Scott*

*Pat Snedden*

*Bob Tizard*

*Seiuli Juliet Walker*

*Ian Ward*

Carried

## **Hospital Advisory Committee**

Moved Susan Buckland, seconded Brian Fergus.

*That ADHB Board appoints the following as members of the Hospital Advisory Committee:*

<i>Chris Chambers (Chair)</i>	<i>Jo Agnew</i>
<i>Susan Buckland</i>	<i>Harry Burkhardt</i>
<i>Rob Cooper</i>	<i>Brian Fergus</i>
<i>Ian Scott</i>	<i>Pat Snedden</i>
<i>Bob Tizard</i>	<i>Seiuli Juliet Walker</i>
<i>Ian Ward</i>	

Carried

## **Disability Support Advisory Committee**

Moved Susan Buckland, seconded Brian Fergus

*That ADHB Board appoints the following as members of the Disability Support Advisory Committee:*

<i>Barry de Geest (Chair)</i>	<i>Jo Agnew</i>
<i>Susan Buckland</i>	<i>Bob Tizard</i>

Carried

## **Audit Committee**

Moved Pat Snedden, seconded Harry Burkhardt

*That ADHB Board appoints the following as members of the Hospital Advisory Committee:*

<i>Harry Burkhardt (Chair)</i>	<i>Brian Fergus</i>
<i>Ian Scott</i>	<i>Pat Snedden</i>
<i>Bob Tizard (Deputy Chair)</i>	<i>Ian Ward</i>

Carried

## **Maori Health Advisory Committee**

Moved Jo Agnew, seconded Susan Buckland

*That ADHB Board appoints the following as members of the Maori Health Advisory Committee:*

<i>Pat Snedden (Chair)</i>	<i>Harry Burkhardt</i>
<i>Chris Chambers</i>	<i>Rob Cooper</i>

Carried

The Chair was assuming the chair of the Maori Health Advisory Committee to give it priority. Chair of the Hospital Advisory Committee was also a member.

## **Pacific Health Advisory Committee**

Moved Harry Burkhardt, seconded Bob Tizard

*That ADHB Board appoints the following as members of the Pacific Health Advisory Committee:*

<i>Reverend Alfred Ngaro (Chair)</i>	<i>Chris Chambers</i>
<i>Rob Cooper</i>	<i>Pat Snedden</i>
<i>Seiuli Juliet Walker</i>	<i>Ian Ward</i>

Carried

## **Quality Committee**

Moved Ian Scott, seconded Chris Chambers

*That ADHB Board appoints the following as members of the Quality Committee:*

<i>Pat Snedden (Chair)</i>	<i>Jo Agnew</i>
<i>Susan Buckland</i>	<i>Chris Chambers</i>
<i>Brian Fergus</i>	<i>Ian Scott</i>
<i>Seiuli Juliet Walker</i>	

Carried

The Chair saw this as a priority area.

## **Representation A+ Trust**

Moved Rob Cooper, seconded Ian Scott

*That ADHB Board appoints Harry Burkhardt to represent it on the A+ Trust*

Carried

## **Representation Starship Foundation**

Moved Ian Ward, seconded Chris Chambers

*That ADHB Board appoints Ian Scott to represent it on the Starship Foundation.*

Carried

## **Pacific Issues**

Aseta Redican was in attendance. She advised that Healthy Village Action Zone (HVAZ) was a mechanism and strategy for delivering health services to the Pacific community. She was also managing the interface between "Our Health 2020" and HVAZ. Issues were capacity, Pacific Health was an organisation responsibility not just the Pacific teams and getting mainstream to be more responsive to Pacific needs. Maori and Pacific needs can be subsumed by larger groups with high needs. It was suggested that there was a need for another Pacific family resource to support families and that there should be benchmarking against similar DHBs with Pacific populations based on need and equity. ADHB was working regionally with Counties Manukau and Waitemata Pacific teams but were primarily responsible for ADHB's own population. ADHB's Pacific team had remained the same size for a number of years while the work had expanded. It was

noted that, at Waitemata, a Pacific cultural group had been established within North Shore hospital.

The CEO advised that, at ADHB, there was an integrated management team structure and the District Annual Plan was a means of signalling changes in the way ADHB was addressing its core population with a focus on its own population driving action followed by the other service provisions.

It was noted that the title "Pacific" hid the different Island groups which required different relationships.

### **Maori**

Kerry Hiini was in attendance. The Board had been briefed on Maori issues at Orientation. Maori still suffered more diseases. There were areas identified where there were health gains to be made i.e. environmental/housing. There had been consultation on the Oral Health Strategy where ADHB needed to be different and innovative. The Board sought ways in making the Maori component more visible. The Maori provider team contained 13 FTEs to support Maori patients.

It was noted that Maori and Pacific were treated well in hospital but needed more support in the community and while there needed to be services addressing high need populations this should not reduce resources available to Maori and Pacific. There were staff programmes on Maori and Pacific tikanga. It was noted that while PHOs were required to have a Maori Health Policy approved by He Kamaka Oranga this may not necessarily change practices towards Maori.

## **6. CHIEF EXECUTIVE OFFICER**

### **6.2 Progress on the District Annual Plan 2008 - 2009**

Julie Helean and Wendy Cook were in attendance. The District Annual Plan for 2008 – 2009 would be presented in a different way than previously with a focus on the core ADHB population linking to ADHBs functions. Tight timelines were being worked to as, although previous years it had been difficult to get the District Annual Plan signed in time, last year the plan was signed off before the start of the financial year. The draft is to be distributed electronically to Board members and their comments to be communicated back. The view was expressed that in "Lifting Health of the Population of Auckland City" by lifting the health of those below the average and with greatest need this would lift the total population's health. This may include better communication to the communities with needs so that they could be aware of services that were available.

Comments were to be communicated back by 20 February 2008 and the next Board meeting would consider the final draft.

Ian Scott left the meeting at 3:00pm.

### **6.1 Report – December 2007**

Garry Smith spoke to his report advising that it was an executive summary of other reports with a year to date result of a deficit of \$3.2m against a budgeted deficit of \$3.7m. Challenges were to break even. MECA settlements were being accrued at 5% against the initial budget assumption of 3% and there needed to be recovery of \$4m for the land

sale which would not progress. Three areas of focus were orthopaedics, cardiac and neurosurgery.

The District Annual Plan for 2008 – 2009 was a key piece of work particularly with MECA settlements making it difficult to break even. Solving the IDF pricing problem would resolve 60% of the problem.

Regional Services planning was progressing with a stock take being undertaken for the Regional CEOs and Chairs. The status of employment relations were detailed in the report, it being noted that SMO and RMO negotiations had restarted. The regional SMO project had been a large project and a review of ADHB's ability to do projects above business as usual was being undertaken.

It had taken a year to develop the scholarship programme with the first year's being aimed at staff that usually did not get access to undergraduate programmes.

The Board requested details on the regional plastics services which would be provided to the next months Hospital Advisory Committee.

The Board was reminded that ADHB was participating in the Round the Bays and an invitation had been issued to Board members to attend.

The Board noted the CEOs report.

## **5. AUDIT COMMITTEE**

### **5.1 Report**

The Chair of the Audit Committee Harry Burkhardt advised that there were a number of expenditure proposals recommended by the Audit Committee to the Board.

### **5.2 Expenditure Proposals**

#### **Sale of Greenlane Land**

The original purpose of selling the land was to rectify a difficult financial position however circumstances have changed. Experience had been that there were difficulties in changing zoning with the Auckland City Council and sensitive land processes had been instituted by Government. Further legal advice was being sought concerning the Public Works Act and any possible rights conferred on other people as a result of that process.

#### Moved Ian Scott, seconded Bob Tizard

*That subject to legal advice the ADHB revokes the declaration of August 2003 that one of two parcels of land at Greenlane being described as 214 Greenlane Road West, Greenlane, Auckland, comprising 7,640 square meters more or less being the land legally described as Lot 1, DP372468 contained in computer freehold register 293118 (North Auckland registry) is surplus to requirements and pay the Crown Health Financing Agencies cost accrued to date for subdivision and resale advice totalling \$161,000.*

Carried

### **Recovery of Overpayments on TPN Contract**

There had been confusion on the contract with HealthPac adding 10% to payments to Baxter Healthcare Ltd which had been discovered by an audit of the contract. While the amount involved was approximately \$800,000 it was recommended that a full and final settlement offer be accepted at a lower figure as litigation would be expensive however the supplier is to be advised that they had benefited from public money.

Moved Brian Fergus, seconded Susan Buckland

*That the Auckland District Health Board authorises the CFO to accept a full and final settlement offer from Baxter Healthcare Ltd in respect of overpayments against Home TPN contracts.*

Carried

### **Debt Write Off**

If debts were not recovered they were placed with Baycorp and if still unrecovered sums were discussed with the Ministry of Health.

Moved Ian Scott, seconded Bob Tizard

*That the Auckland District Health Board write-off the sum of \$157,691.19 owed by the guardians of an ineligible baby and the account be placed with Baycorp.*

Carried

### **Mailroom Services**

Moved Ian Ward, seconded Rob Cooper

*That Auckland District Health Board endorses the selection of Outsource Solutions Ltd (OSL) as the preferred provider of Mailroom Services to Auckland District Health Board and approves a 4 year contract commencing 1 April 2007 with an optional 2 year right of renewal followed by a further optional 1 year right of renewal at an estimated annual value of \$1,282,578 averaged over a 7 year term.*

Carried

### **Extracorporeal Shock Wave Lithotripter**

This service was being brought in house to have transparency regionally around prices and provide better services to the Auckland population. It would be in competition with the private sector.

Moved Ian Scott, seconded Bob Tizard

*That the Auckland District Health Board approves the purchase of a Dornier Delta II Extracorporeal Shock Wave Lithotripter from Euromed Electronics NZ Ltd for \$820,000.*

Carried

### **Replacement Motor Vehicles**

Motor vehicles had been leased however ADHB could borrow funds at a better rate and as vehicle usage in Auckland had low mileage and good service records it was

appropriate for these to be purchased at the conclusion of the lease. The management of the fleet was being considered reviewing FTE rules and storage over night with a view to staff possibly having vehicles overnight to provide better utilisation of time and improve service to customers.

Moved Rob Cooper, seconded Ian Ward

*That Auckland District Health Board approves the purchase of up to 109 vehicles for an estimated expenditure in the 2007/2008 financial year of \$1,304,000.*

Carried

## **7. FINANCIAL REPORT**

### **7.2 Health Sector Relationship Agreement**

The Chair advised that the proposed tripartite framework had commenced in 2003 to get a macro agreement between Government as funder, the unions in the health sector and DHBs to work collaboratively. This proposal followed on from the Code of Good Faith. DHBNZ had asked the Board to endorse the proposal although it is noted that ASMS and RDA, the two substantial unions, were not parties to the agreement.

The Chief Executive advised that he supported anything that improved dialogue but saw it as being difficult to write a document on how DHBs and other parties should behave and, because of the need for it to be written in generalities, when specific issues arose there was always a debate as to whether they were covered by the agreement.

Board members were invited to express their views. It was noted that ADHB had had to abandon a contract as a result of the Code of Good Faith. Concern was expressed as to who got the benefits from the agreement, were there solutions in existing frameworks dealing with, what was, an inelastic workforce and with a vital part of the workforce not being parties. It was thought that it may not be a sustainable position in the long term as in the past agreements had failed due to regional pressures with a result of escalation of rates up to Auckland's level which then disadvantaged the Auckland region. The view was expressed that this was a collaborative rather than market model and with Health being tax funded the reality was a need for the collaborative model.

The Chair proposed a motion, moved by the Chair and seconded by Seiuli Juliet Walker, that ADHB accept the document subject to the two major unions being encouraged to be signatories and that the approval be for two years to assess the benefits. The motion was not carried as a result of a tied vote. This would be reported back to DHBNZ.

Pat Snedden left the meeting at 3:45pm and Harry Burkhardt assumed the Chair.

### **7.1 Report – December 2007**

The CFO spoke to his report advising that trading was on budget with accruals being made at 5% to cover wage settlements with the risk being settlements at a higher rate. Staff numbers were below budget and overall, while some services were under contract and some over contract, the budget was being met. He was expecting better performance in February/March. Expenditure as a percentage of revenue was a good monitoring tool and year on year ADHB was \$10m better off this financial year. While

there had been procurement gains these were difficult to sustain with cost increase in ACC, power, food etc.

The initial financials for the District Annual Plan 2008/2009 was a deficit position however this was not unexpected and work was being undertaken by management to get to a break even position. ADHB was growing quite quickly and experience had shown that it could have good production at the margins. While there was some repatriation of services to other DHBs ADHB was required, for example with cardiac services, to provide regional services on a 24 hour basis. Initiatives such as production planning and other projects were being undertaken to address wage growth.

There was an agreement for six months notice for other DHBs changing their service requirements however with a very skilled workforce it was difficult for ADHB to downsize and that decision may not be the most appropriate for the nation if specialist services became non viable. The focus at present was to get to the end of year result and develop the District Annual Plan for the forthcoming year.

## **8. GENERAL BUSINESS**

### **Board**

There was support for clinical directors addressing the Hospital Advisory Committee and for the Board to make visits to particular services. The Marion Davis Library would be upgraded and in the meantime there would need to move Board meetings to different venues.

### **Education**

The Senior Management Team had committed to support education of staff at Level 2 and Level 3 to improve management skills. It was suggested that the Board consider having a training programme on financials through the Institute of Directors.

## **9. NEXT MEETING**

The meeting closed at 4:40 pm

The next scheduled meeting is  
1:30pm, Wednesday, 5 March 2008  
Rangitoto Room  
Level 3, LabPlus  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....