

# WAITAKI DISTRICT HEALTH SERVICES LIMITED

## HALF YEARLY REPORT - 1 JULY 2014 TO 31 DECEMBER 2014

### **General Comment**

This half yearly report is provided as required by the Company's Statement of Intent for 2014/2015 year, which requires the directors to deliver to the Council as shareholder an unaudited report containing information required by the Financial Reporting Act 1993 and a commentary on the results for the first six months of the current year, together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the Company's performance.

The Company has achieved satisfactory trading results for the half year, a surplus has been achieved and the Directors' expectation is that if budgets continue to be achieved, the year end result should comprise an overall trading surplus. This assumes that no unanticipated expenditure or costs need to be incurred.

However, decline for the half year in non SDHB revenue, occurring through (principally) reduced ACC revenue is being closely monitored. The failure of SDHB to fully pass on Government revenue increases received is also a continuing concern, because increases in costs incurred by the company, particularly wages are not being matched by SDHB revenue receipts.

### **Operational**

The Company has maintained and fulfilled its contractual commitments to the Southern District Health Board, Accident Compensation Commission, and other contractual partners for the half year in accordance with our current contracts. There are no outstanding issues of which the Company is aware in this regard.

The Southern District Health Board, our principle funder, has released its draft Strategic Health Services Plan for 2015 to 2025 and the Company made detailed submissions on the plan, coordinating with other District Hospitals at Dunstan, Balclutha, Gore, Ranfurly and Queenstown on items of common interest.

The draft plan status is that we now await the response of the District Health Board to the submissions made.

In general terms the plan may provide opportunities for district hospitals to undertake more contractual services locally for the District Health Board in fulfilling the Plan's paramount goals, improving patient access and population health outcomes, and achieving clinical and financial sustainability.

In both the areas we believe there is the opportunity for district hospitals to achieve costs savings and provide extended services, given the support of the District Health Board and clinical staff in the areas where some services may be devolved to local providers.

The District Health Board is in a very difficult position, facing substantial capital costs to upgrade base hospital facilities and requirements for cost containment within a budget which has repeatedly been unable to be achieved over, now, many years.

Obviously the company will work as constructively as possible with the Southern District Health Board in the interests of our Waitaki District population and appropriate decentralisation of services will be welcomed and supported by the Company where this can be achieved.

A continuing issue is whether Waitaki District would be better served through being a part of the South Canterbury DHB which does not seem to have the SDHB problems with financial resources and their management and in terms of travel distances, is our closest base hospital.

Otherwise, the half year has involved business as usual and the hospital and community services we provide. The nursing staff review has been completed and recommended changes have been implemented, no significant health or safety issues have arisen, the Takaro Lodge unit has generally been fully occupied, audits and related requirements have been satisfactorily completed with no significant issues having arisen in this regard.

### **Financial**

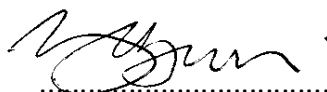
The consolidated accounts for the Company and Trust show a net surplus for the period of \$202,680.00. The Company recorded a profit of \$67,046.00 for the half year, (before expensing Observatory Village development costs of \$116,170.00, and the Trust a surplus of \$135,634.00.

Unaudited accounts for the period 1 July 2014 to 31 December 2014 are attached to this report.

The directors consider the current position and trading outlook of the Company and the Trust to be in all respects satisfactory.

Dated this 4th the day of February 2015

For and on behalf of the Board of Directors:



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**George Berry**  
**Chairman**