



Annual Report 2015/16

What our Customers Say

"I have worked with the TAS staff and my experience has always been positive. Key attributes for me are the professionalism, competence in their area of specialty and an excellent understanding of the wider health system. Excellent communicators."

"We were their first aged care audit and they were the best auditors we have worked with."

"TAS is a very competent organisation. It is fulfilling its role well. It adds value to DHBs."



"Builds on experience in work programmes on an ongoing basis"

"I am impressed with the Pharmacy Programme Office being able to manage competing demands, communicating well and managing competing views"

45% of TAS stakeholders strongly advocate for us

86% of TAS stakeholders agreed that TAS delivers against its work programmes

91% of TAS stakeholders rate the quality of TAS advice and services at a high professional standard



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About TAS

TAS provides ideas, expertise and programme management to support the health sector to achieve healthcare targets, and improve the services provided.

Central Region's Technical Advisory Services Limited (TAS) is a multi-parent subsidiary of the six District Health Boards (DHBs) of the Central Region: Capital & Coast, Hutt Valley, Wairarapa, MidCentral, Whanganui and Hawke's Bay. TAS was set up by the Central Region DHBs in June 2001 as a joint venture company under equal joint ownership. DHB Shared Services (DHBSS) integrated with TAS in 2011 creating a combined national and regional service offering. TAS now provides support and services not only to its six shareholders but also to all 20 DHBs. On average it manages 30 national and regional work programmes on their behalf. TAS also works collaboratively with other health service providers, including the Ministry of Health.

Organisational Purpose

We see the role of TAS as bringing information and insight to the health sector, and helping customers develop national and regional strategies that will address their priorities. From there, we will need to facilitate turning the thinking into actionable pieces of work delivering real change and improved health system outcomes.

We are continuously exploring ways in which we can add further value for our customers and use our capabilities for maximum effectiveness.

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Chair's Report

I am pleased to present the annual report for the 2015/16 year for the Central Region's Technical Advisory Services (TAS).

During the year TAS has continued to make progress to becoming a respected professional services organisation delivering high quality management services to District Health Boards (DHBs) and other health sector organisations. With our focus on value to the sector, it has been pleasing to see the delivery of significant service and programme outcomes this year that will improve the performance of the health system.

Organisational capability has continued to improve and this has seen active involvement in strategic areas supported by strong technical analytical skills. The systems, structures and processes that were in the early stages of development last year are now well embedded with a marked improvement in organisational efficiency and effectiveness as a result.

We are encouraged by the ongoing investment and commitment by our customers to the services we are providing. TAS is now well positioned to deliver greater value to the sector through its continued development of leadership, strategy and business intelligence capability.

I would like to thank and recognise the staff of TAS for their continued professionalism and drive to further improve services. Their commitment to excellence and to the development of new opportunities has been much appreciated by the Board.

My thanks to the Board for their continued input and support during the year. I look forward to working with members to further develop the organisation in the period ahead.

Dr Jan White, Chair

The systems, structures and processes that were in their early stages of development last year are now well embedded and the Board has seen a marked improvement in TAS's efficiency and effectiveness over these last two years.



Board of Directors

TAS has an independent board of directors. The Board comprises an independent chair, two independent directors and two representative directors, one of whom represents the Central Region and the other who represents the 20 DHBs. The Board reports to the Regional Governance Group (RGG).



Murray Bain

Murray is an experienced company director who is currently Chair of the Open Polytechnic, Chair of Top Energy, Deputy Chair of TSB Bank and a Director of TSB Group Capital. In the past, he has held CEO roles

in the Foundation for Research Science and Technology and the Ministry of Science and Innovation and, prior to that, senior management positions in IT, finance and banking in the Trust Bank Group and roles as Chief Operating Officer in ACC and Assistant Governor of the Reserve Bank of New Zealand.



Murray Georgel

Murray was MidCentral DHB's Chief Executive from 1999 to May 2015. He has gained considerable management and leadership experience across a wide range of industries in both the public

and private sectors, including primary production, tourism, pharmaceuticals and social services. Murray has had, and maintains, governance roles in health-related organisations as well as community and privately owned entities. Murray has resigned from the TAS board effective 30th June 2016. Kath Cook who is the Chief Executive of Mid Central DHB has taken his place.



Dr Jan White - Chair

A medical doctor by training, Jan has worked in medical and general management for over 20 years in both Australia and New Zealand. She has held a number of senior posts including six years as Chief

Executive of the Waikato District Health Board and seven years as Chief Executive of the Accident Compensation Corporation (ACC). She is also on the Boards of PHARMAC and Worksafe New Zealand.



Deryck Shaw

Deryck is Chair of Lakes District Health Board and Deputy Chair of New Zealand Māori Arts and Crafts Institute. He is a former member of the Waikato District Health Board, Chair of Waiariki Institute of

Technology and Board Member of Institutes of Technology Polytechnics New Zealand. He is a Chartered Member of the NZ Institute of Directors and has a 30-year career as the Director of Strategic Planning consultancy firm, APR Consultants Ltd.



Wendy McPhail

Wendy has over 20 years senior management experience most recently as CEO for the New Zealand owned Office Products Depot Co-operative. She has extensive technology, strategy and

change management expertise. Wendy was the former Deputy Chair of the Auckland Museum Trust Board and holds community and private governance roles.

Board of Directors

Directors' Interests

The following information was included in the Board's interests register over the period 1 July 2015 to 30 June 2016.

Dr Jan White - Chair

- Member of PHARMAC Board
- Member of Worksafe New Zealand Board

Murray Bain

- Chair of Top Energy
- Director of Powerco NZ
- Deputy Chair of TSB Bank
- Director TSB Group Capital Ltd
- Director TSB Group Investments Ltd
- Chair of Open Polytechnic NZ
- Shareholder and Director of Oryx Technologies Ltd
- Shareholder and Director of M I Bain & Associates Ltd

Murray Georgel

- Director and shareholder, NV Enterprises Ltd
- Director and shareholder, Xenos Ltd
- BCC Limited Director
- Manawatu Investment Group Limited Director
- MIG Nominee No 1 Limited Director
- Palmerston North Airport Limited Trustee
- Sir Patrick Higgins Charitable Trust
- Son working for Deloitte

Deryck Shaw

- Member of the DHB Executive
- Chair of Lakes DHB
- Deputy Chair of NZ Māori Arts and Crafts Institute
- Owner and Director of APR Consultants Ltd
- Majority owner and Director of Principal Holdings Ltd
- Co-owner and Director of APR Group
- Partner, Shaw Property Partnership
- Board member of Waikato Bay of Plenty Football
- Committee member Bay of Plenty Branch NZ Institute of Directors
- Chair of NZ Walking Association Inc
- Trustee of Rotorua Bike Festival Trust
- National Executive Member of NZ Football
- President NZ Football Board
- Board member- NZ Health Partnership Limited
- Director, Great Value Accommodation Ltd

Wendy McPhail

- Advisory Board member to the Marketing Company
- Principal Consultant and Director, Wendy McPhail Consulting Ltd



Chief Executive's Report

2015/16 saw the TAS team take great strides in building the organisation to deliver high quality management services to the DHBs and Ministry of Health.

Our key focus this year has been to ensure our customers are getting the best return from their investment in our services while also exploring ways in which we can add further value to the sector.

We asked a broad range of stakeholders to rate our service and over 90% of our customers rated us as delivering a high professional standard of advice and support. We also enjoy a high level of advocacy with 80% of our customers saying they would recommend TAS to a colleague or other organisation.

A range of new initiatives that are adding value to the sector are in progress. In particular;

- we have extended our role in workforce strategy development in support of the newly formed Workforce Strategy Group,
- we successfully implemented a permanent service to provide interRAI education and support. This year saw over 960 new assessors and over 241 managers trained, with 677 facilities having at least one nurse competent. We are supporting the interRAI NZ governance structures and providing the sector with reporting and analytics,
- a significant milestone was achieved in the Regional Health Informatics Programme with the Clinical Portal solutions going live and taken up by the first of Central Region DHBs,
- we also made good progress in establishing the infrastructure around core business intelligence functions through the development of the Information Services Strategy.

Our new website was launched with a newly created modern visual identity. The website tells the story of TAS and reflects who we are as an organisation more comprehensively.

Looking towards the future, we aim to remain on course with our strategic plan and ensure understanding, alignment and support of our purpose and strategic direction with shareholders, stakeholders and customers.

The key planks of our future are:

- actively pursuing new areas of value,
- further evolving our professional service culture,
- focusing internally on continuous process improvement,
- continuing to develop our people capability with a focus on leadership and specific technical skillsets.

I want to take this opportunity to thank the Board for their support through this journey, customers and stakeholders for their continued belief in us and TAS staff for their commitment to TAS and to the sector.

Graham Smith, Chief Executive

We are now progressing a number of new initiatives that will deliver new value to the sector.

Highlights

Adding Value to the NZ Health System

TAS has been established to play a key role in enabling a high performing health system with a focus on supporting front line service providers to improve the health and well being of New Zealanders. Our value is generated by working on behalf of the DHBs and the Ministry of Health in situations where the best result for the health system will be achieved through a collective and collaborative approach. This often means brokering across multiple stakeholders and organisations using information, insight

and influence to align collective action towards the desired outcomes.

We are driven to continuously improve the value added from our current services while exploring new opportunities of value to the sector. Our intent is to grow the abilities and reputation of TAS to be relevant and effective in helping the health service providers address the future challenges and opportunities facing the sector.

Highlights of Value Delivered

Regional Information System Go Live



The regional Clinical Portal system was launched and the first DHB, Whanganui, has gone live. This achievement is a major milestone to enable the vision of one patient record accessible by all clinicians across the Central Region.

interRAI Phase One Implemented



The interRAI service has been successfully established to train care providers in the clinical assessment system. This will enable an integrated record which will significantly help Providers, DHBs and the Ministry to improve the health and well being of older people.

Future Workforce Strategy



The establishment of a national workforce team has enabled DHB co-development work with HWNZ on the review of the medical vocational training funding model. The workforce visualisation tool gives DHBs access to a nationally consistent dataset of workforce information that provides a dynamic environment for DHBs to use to inform workforce planning at the local, regional and national level.

Community Pharmacy Vision



The Community Pharmacy team supporting DHBs and other key stakeholders to develop the strategic direction for integrated pharmacist services in the community.

TAS Vision and Mission

VISION *“A respected professional services organisation delivering high quality management services to New Zealand DHBs and other health sector organisations.”*

MISSION *“To successfully partner the health system through providing expert resources and knowledge in a highly connected and collaborative way to facilitate better health and wellbeing outcomes for all New Zealanders.”*

Key Priorities

The three key pillars of our supporting framework are the strategic priorities of doing what we do well, building our reputation and delivering new value.



Key Strategic Priorities

Do what we do well

Our first priority has been to ensure the programmes and services of today are operating well and have sufficient support and management to deliver the expected outcomes for our customers. These programmes and expected deliverables are detailed in the National and Regional Plans and related Service Level Agreements (SLAs) with DHBs. Changes to the organisational structures have been progressively made to prepare us to deliver on this priority and are well along the way to being embedded.

Build our reputation

Building on our service delivery, we planned to better understand how we are performing in order to prioritise improvement (and communicate our successes). The immediate requirement was to implement a value based measurement framework to monitor our delivery performance and to establish a unified brand and company identity. We have successfully implemented a Balanced Scorecard measurement and monitoring tool. We have also asked customers and stakeholders for their views of our performance and are using this valuable feedback in the evolution of our services. In our first customer satisfaction survey 91% of customers believe TAS services and advice are of a high standard.

Deliver New Value

We are now in a position to explore a range of new areas, using the capabilities we have developed, to add value to the health sector, as well as evolve those already in progress. Currently in progress:

- interRAI phase two integration
- Pharmacy strategy development
- Workforce information strategy development
- Health of Older People strategy development

Future value:

- Business intelligence and analytics
- Health informatics

Partnership

Key Objectives

Translating Strategy into Action

In order to translate strategy into action, TAS has developed a strategic framework built on four perspectives: value, customer, internal business processes and learning and growth. These four dimensions are used to ensure that there is a balance in TAS' strategic initiatives.

This framework also supports business planning and helps create alignment across the organisation. The framework is based on connecting the dots where all efforts and initiatives undertaken by TAS should eventually lead to an increased value in the eyes of shareholders, stakeholders and customers.

Value



To ensure best return from current investment through improved efficiency and effectiveness of services. Explore areas that will create new value for stakeholders.

Customer



To ensure clients experience an integrated company wide approach to stakeholder management, and key stakeholders and clients are aware of and advocate for our services.

Internal Business Processes



To ensure internal processes are (as appropriate) standardised, repeatable and reliable. Our service delivery and operating processes are measured and tracked.

Learning and Growth



To ensure we grow our leadership capability at all levels and enable leaders to work effectively across the organisation. Capability and performance of the organisation improves.

Our Business Model

We are a compact organisation with a broad range of roles and functions, working independently and cross-functionally to optimise resource allocation and knowledge sharing; key elements in being cost-effective and providing the best service possible.



Audit and Assurance

Consisting of expert lead auditors, specialist contractors and support staff providing objective audit and assurance services to private and public health sector organisations in the central North Island and the South Island.

Community Pharmacy Services

Working with DHBs and the wider health sector to implement the new Community Pharmacy Services Agreement. This is all about keeping patients at the centre of their own health care and recognising the key role pharmacists have in delivering better health outcomes.

Regional Health Informatics

Working with the health sector to develop systems that ensure the right information gets to healthcare professionals at the right time, so they can deliver the most appropriate care for patients. TAS has been contracted to support the development of a suite of regional solutions that will centralise the acquisition, storage, retrieval and use of patient information across the Central Region's six DHBs.

Health of Older People

Working collaboratively with DHBs, the Ministry of Health, and the wider health sector to improve the delivery of health and disability services to older New Zealanders through a joint programme of work.

interRAI

interRAI™¹ refers to both the international organisation responsible for developing comprehensive clinical assessment systems, and the suite of clinical assessment tools available. The tools are standardised assessments designed to work together to form an integrated health information system. interRAI tools all share a common language; that is, they refer to the same clinical concepts in the same way across different tools. Using common measures enables clinicians and providers in different care settings to improve continuity of care, and to integrate the care and support needed for each individual.

The Ministry of Health appointed TAS as the national provider of interRAI Services.

Planning and Collaboration

Partnering with the health sector to provide planning services to support the development of regional and national plans that not only enhance the effectiveness of collaboration among key executive groups, but also enable them to deliver on key work programmes and projects.

The team also plays an important role in identifying value-adding opportunities through analysis and assessment of programmes and activities.

Strategic Workforce Services

Providing employment relations and intelligence services to help maintain the current and future staffing needs of the health sector. The team also provides programmes and services to ensure staff are healthy and well and are providing safe and professional healthcare experiences for patients.

Business Support Services

Supporting all areas of the business by providing Human Resources, IT and Desktop Support, Finance, Project Management, Communications and Planning support. The team also works alongside senior management and staff throughout the organisation, providing advice, tools, processes and systems to enable the organisation to achieve its business goals, and to help staff develop and grow.

¹ For ease of reading, we have removed the "™" symbol when referring to interRAI in the remainder of this report, however it is noted that interRAI™ is a registered trademark and appropriate use of the term applies.



A Year in Review

Audit and Assurance

The Audit and Assurance team deliver a range of audit services, namely Provider Audits, Internal Audits and Certification Audits.

Provider Audits

TAS provides a contract based audit service for the DHBs in the Central Region and the South Island. The audit approach is holistic and systems based which aims to obtain a full picture of the organisation. An equivalent of 65 audits for the Central Region and 40 audits for the South Island were undertaken in 2015/16.

Internal Audit for DHBs

Internal Audit delivered assurance to the six DHBs in the Central Region based on individual internal audit plans. A number of integrated reviews across DHBs were also completed. Internal Audit has been focused on delivering value over and above historic compliance reviews. The six plans consisted of approximately 40 reviews ranging from clinical governance, risk management, outpatient management through to three-dimensional fraud review, investigations, security and health and safety.

The Audit team also supported Health Share Ltd. with IT audits across the Midland Region.

Certification Audit Programme

Over the year, the programme grew significantly to include clients in all areas in which TAS is designated to audit under the Ministry of Health, including Aged Residential Care facilities, Mental Health providers, Private Hospitals and DHBs. TAS also became a Retirement Villages Association Accredited Audit Agency, of which there were previously only two in New Zealand. Feedback from clients audited under this programme has been positive. TAS's ability to conduct combined audits which helps to reduce the audit impact for providers, has also been acknowledged by the sector. The programme continues to grow with marketing as a major focus for the next financial year.

TAS's key achievements:

- Approved to join a security panel to provide Certification and Assurance to government agencies by the Department of Internal Affairs.
- Approved by the Ministry of Business, Innovation and Employment as a Tier 2 provider for Audit and a Tier 3 provider for Assurance.
- Certification audit programme continues to meet all requirements with no non-conformities over the previous audits: significant achievement validating the high calibre of the programme.

The Audit and Assurance team deliver a range of audit services, namely Provider Audits, Internal Audits and Certification Audits.

A Year in Review

Community Pharmacy Services

The Community Pharmacy Services Programme (the CPS Programme) implements and manages the current CPSA between nearly 1,000 community pharmacies and the 20 DHBs.

Introduced on 1 July 2012, the CPSA, which was initially phased over three years, gave community pharmacists an increased opportunity to put their expert clinical skills to good use through the provision of patient-centric services. In 2015, following consultation with the pharmacy sector, the current CPSA was extended for up to two years to enable the next contract to be developed. This provided time to evaluate the outcomes of the current contract, and ensure key government strategies, such as the new Pharmacy Action Plan, were developed since they will underpin the next pharmacy contract.

The purpose of the CPS Programme is to:

1. support, monitor and evaluate the implementation of the current CPSA, and
2. support the design, development and implementation of the future contract.

TAS's key achievements:

CPSA

- Maintained responsibility for the financial management of the CPSA funding envelope (\$376.9M 2014/15; and \$380.9M 2015/16) including managing transition payments to all community pharmacies, implementing interim payment mechanisms and agreeing on the annual end of year adjustment process.
- Developed a quality report for a key patient-centric service delivered through the contract, called Community Pharmacy Anti-coagulation Management Service (or CPAMS).
- Developed and implemented the contract extension (2015/17), including providing DHB staff with resources, analytics and training to support the implementation of the contract extension.
- Supported all DHBs to manage contractual

breaches; including managing the outcomes of a mediation process on behalf of the two DHBs who went through the disputes resolution process.

- Supported DHBs and other key stakeholders to develop an interim solution to the pharmaceutical margins model throughout 2015/16, which was introduced in August 2016 through a Voluntary Variation to the CPSA.
- Undertook an independent evaluation of the current CPSA by Sapere.

Strategic Direction

- Provided input into the development of government strategies including the NZ Health Strategy and the Pharmacy Action Plan.
- Supported DHBs to ensure the new service delivery and contracting model provides a vehicle, where appropriate, to implement the NZ Health Strategy, the Pharmacy Action Plan and other relevant government strategies.
- Undertook a review of the Programme Governance Structure to ensure it is fit for purpose to continue to deliver the current CPSA while supporting DHBs to develop the next contract.
- Coordinated and facilitated two national stakeholder forums, which included a presentation from the Minister of Health, the Hon Dr Jonathan Coleman and Director General at the Ministry of Health, Chai Chua.
- Supported DHBs in coordinating and facilitating the 20 local stakeholder forums to inform the strategic direction for pharmacist services in the community.
- Supported DHBs in the development of the design of the new service delivery and contracting model, which will continue into 2016/17.

The Community Pharmacy Services Programme (the CPS Programme) implements and manages the current Community Pharmacy Services Agreement (CPSA) between nearly 1,000 community pharmacies and the 20 DHBs.

A Year in Review

Regional Health Informatics

Regional Health Informatics is about building organisational and technological capability to deliver the right information, to the right people, through a range of information channels, in order to deliver better health outcomes for all New Zealanders.

A critical first step in this journey is developing the Central Region's first fully integrated Patient Information Management Solution and electronic health record.

This will provide, in the first instance, a single consistent view of key patient data across the region's hospitals, and over time be made available to Primary Health service providers and the patients themselves.

Key functionality includes a clinical portal for key clinical information, a radiology information system and imaging repository plus a patient administration system.

The long term benefits of regional health informatics are, among others:

- improving the quality and timeliness of information to inform real time clinical decision making,
- improving the patient experience by being able to keep them better informed as they move through the health service continuum from primary to tertiary and end of life care,
- providing tools and information that enable individuals, families and communities to pro-actively manage their health, lifestyle, preventative actions and long term conditions,
- enabling greater efficiency and cost savings in service delivery by reducing the amount of manual intervention required in the extraction, manipulation, application and reporting of health data,
- creating an 'intelligent network' with the aggregation of operation and client data to gain greater insights into demand, usage, performance and trend patterns.

TAS's key achievements:

- Completed Regional Solution build and integration for Clinical Portal and Radiology Information System. The WebPAS application build is near completion and on track for completion in October 2016.
- Transitioned Whanganui DHB, the first of the six regional DHBs, across onto the Regional Clinical Portal to be followed with Radiology Information system before the end of 2016.
- Agreed regional service management approach with CCDHB to take a lead both in the provision of a regional service desk and accountability of the ongoing service management functionality. The system will evolve as the additional DHBs adopt in to the solution .

Regional Health Informatics is about building organisational and technology capability to deliver the right information, to the right people, through a range of information channels in order to deliver better health outcomes for all New Zealanders.



A Year in Review

Health of Older People (HoP)

The Health of Older People programme supports close collaboration with DHBs, the aged residential care sector, home and community support providers and the Ministry of Health. Consumer engagement is critical to successful planning and prioritisation.

The HoP team provides the 20 DHBs with a common platform and system-wide focus across the service continuum, to support their continued performance improvement activity. The national aged care demand and supply model and the quarterly bed and utilisation survey, with reporting to stakeholders, provides planning and decision-making support. The focus will be on further improvement in 2016/17.

TAS's key achievements:

- Completed the Aged Residential Care Contracts (ARCC) on time with agreement reached on key issues as reflected in the variations to the Agreements. The sector accepted that the ARRC agreements should be amended so that all residents assessed as requiring long-term residential care, including private payers, are covered by the Agreement.
- Facilitated two Leaders' forums informing further strategy development as we continue engagement on an integrated medicines management approach for national consideration.
- Ensured the passing of responsibility for in-between travel, undertaken by support workers providing services to clients in the community, was both seamless and supported by sufficient funding.
- Supported a review of models of care and funding models across aged care which commenced April 2016. This will be a key focus for 2016/17.
- Provided input into the development of both the NZ Health Strategy and the draft NZ Health of Older People Strategy.
- Provided input into the national palliative care review and the design for secure dementia facilities.
- Facilitated the bed and occupancy reporting framework for aged care which is now experiencing 97% response rates from providers each quarter supporting informed planning and decision-making.
- Updated the National Demand Model for Aged Care with latest census data and data from the ARC reporting framework built in, to provide a demand and supply model for aged care projected through until 2031/32.
- Represented the 20 DHBs and provided expertise into the planning for regulation of the majority of home and community support workforce.
- Maintained on-going support for, and facilitation of, national sector forums, including secretariat services.

The Health of Older People programme supports close collaboration with DHBs, the aged residential care sector, home and community support providers and the Ministry of Health. Consumer engagement is critical to successful planning and prioritisation.



A Year in Review

interRAI

TAS is funded to deliver all aspects of interRAI Services across four key business areas:

- Education and Support
- Reporting and Analytics
- Governance
- Software Services

This was a foundation year for interRAI Services as a business unit within TAS and also the interRAI New Zealand Governance Board. Alongside establishing a business unit, there were some significant achievements and highlights.

TAS's key achievements:

Governance

- Established the interRAI New Zealand Governance Board, who have provided leadership and oversight to the development of interRAI in New Zealand.
- Published a three year rolling strategic plan, interRAI New Zealand – Future Direction.
- Developed a full visual and online identity, brand and a broad range of communications across New Zealand, and commenced a programme of positive engagement with interRAI stakeholders in New Zealand, and internationally.
- Made a significant contribution to the inaugural World interRAI conference 2016 in Toronto. Our achievements in New Zealand were recognised by winning the Collaborative Effort, Innovation Award.

Data Analysis and Reporting

- Established the National interRAI Data Analysis and Reporting Centre.
- Published interRAI data access protocols.
- Developed a suite of interRAI reports to DHBs and aged care providers. The suite of reports is expected to expand over time.
- Published the first interRAI Data Analysis Annual report.

Education and Support

- Trained 960 registered nurses in aged residential care to use the Long Term Care Facilities assessment tool.
- Trained and supported 241 aged residential care facility managers to use interRAI data reports for service delivery and improvement.
- Supported three DHBs to pilot the interRAI Palliative Care tool.

Software Services

- Upgraded interRAI software.
- Fully tested interRAI data security.

The vision for interRAI Services is to continuously improve health outcomes for New Zealanders as they age, and improve the effectiveness and efficiency of our health system by guiding and leading the use of interRAI instruments and the dissemination and use of interRAI information.

A Year in Review

Planning and Collaboration

The Planning and Collaboration Service facilitates strategic planning on behalf of DHBs and stakeholders and delivers knowledge, insight, project management and support services to our customers across a number of projects and programmes of work.

Regional Services

Regional Services' plans were prepared collaboratively across the Central Region DHBs with input from clinicians, managers, and consumer representatives. TAS provided support in the form of project management and coordination, administration, network engagement, maintenance, and analytics.

TAS's key achievements:

- Supported the Cardiac Network to successfully implement the Accelerated Chest Pain Pathways within primary care. The Central Region Cardiac Expected Clinical Guidelines were completed ready to be endorsed nationally.
- Supported the development of the Central Region Workforce Plan 2015-2020 using the data and information from the national adult Mental Health and Addiction (MHA) stocktake.
- Supported the regional Orthopaedics, Ophthalmology and Otorhinolaryngology clinical networks that have developed 17 clinical pathways and one patient pathway.
- Completed an evaluation of the Elective Services Productivity and Workforce Programme which has been accepted by the Ministry of Health. The focus of this programme was managing the capacity and demand for elective services to enable patients to receive their First Specialist Assessment (FSA) and treatment within target waiting times.
- Supported the regional leads in developing a Mental Health and Addiction Regional Leadership group (MHARL). Models of care for residential alcohol and other drug (AOD) and youth acute response were developed.
- Supported the DHBs in achieving set patient admission targets and exceeding the thrombolysis target. An electronic decision support tool for the clinical management of Transient Ischaemic Attacks (TIAs) was implemented in the region.
- Supported the region's sonography workforce by successfully carrying out an overseas recruitment initiative. Additional appointments were made to the sonography workforce as a result of this initiative.
- Lead the development of the formal working group and project governance structure for Well Child Tamariki Ora including planning, quality improvement training and support. Provided support for the Plan Do Study Act Quality Improvement Cycles across all DHB working groups.
- Provided secretariat and administrative support to a number of regional working groups including the Regional Health Informatics Steering Group.

The Planning and Collaboration Service facilitates strategic planning on behalf of DHBs and stakeholders and delivers knowledge, insight, project management and support services for our customers across a number of projects and programmes of work.

A Year in Review

Planning and Collaboration

National Services

The Planning and Collaboration team helps customers develop national plans that enhance the effectiveness of collaboration enabling them to deliver on work programmes and projects. TAS ensures that there is a common platform for improvements across the DHBs' operating systems and plays a role in identifying opportunities to add value to the sector through analysis, assessments and recommendations on various programmes of work.

TAS's key achievements

- Managed the Combined Dental Agreement (CDA) contract review process on behalf of the 20 DHBs. The CDA ensures that New Zealand's children and adolescents with special dental needs can receive free primary dental care and treatment.
- Coordinated Official Information Requests (OIA) for the 20 DHBs which increased by 18% over the year.
- Established the National Primary Care Integration Programme which aims to create strategic forums that enable the sector to discuss and deliberate on key issues, challenges and the future direction of primary care.
- Strengthened services to PHO Services Agreement Protocol (PSAAP) and the Independent Chair by providing increased coordination and policy briefings to the DHB representatives and preparation of papers on behalf of the DHBs.
- Provided advice, planning and support to a number of national executive groups including the General Managers' Planning and Funding network and Chief Information Officers' network.
- Worked with a lead group of Chief Operating Officers and Chief Financial Officers to review the focus and content of the Hospital Quality and Productivity (HQ&P) Programme, including engaging with key agencies such as the Treasury.

Planning and Collaboration helps customers develop national plans that enhance the effectiveness of collaboration and enables them to deliver on work programmes and projects.



A Year in Review

Strategic Workforce Services

The Strategic Workforce Services (SWS) team has three key programmes which all contribute to the successful delivery of workforce and employment relations services to the DHBs;

- Workforce Information and Projects,
- Employment Relations (ER); and
- Safe Staffing Health Workplaces (SSHW).

Workforce Information and Projects

The workforce represents the DHBs' single largest investment, accounting for 60% to 70% of provider-arm expenditure. Effective national workforce and employment relations activity supports DHBs to engage with their workforces and fosters improvements in service delivery, quality and responsiveness.

2015/16 saw the DHBs recognise the need for a stronger workforce focus. This resulted in the establishment of a dedicated national workforce team within SWS and investment in a workforce information visualisation tool. A dedicated governance structure was also established to ensure that strategic focus and priority was given to workforce development. The Workforce Strategy Group has representatives from the DHB Executive and professional lead groups, together with the Ministry of Health as the DHBs strategic partner.

Employment Relations (ER)

The ER Programme is responsible for the development and regular review of the ER Strategy for the 20 DHBs and ensuring the delivery of the employment relations programmes and associated workforce activities. It manages and delivers the National and Regional Collective Bargaining Programme for the 20 DHBs. The Employment Relations Strategy Group (ERSG) provides governance oversight to ER strategy development and the ER work programme. The strategy is underpinned by accurate workforce information and analysis and supported by operational projects as required.

There is a strong emphasis on strategy development as a core function of the team. This covers all aspects from DHB workforce strategy to organisational design, performance, human resources and industrial relations.

Workforce and ER strategy development and maintenance requires strong relationships with DHBs including second tier management and clinical leader groups. DHBs seek to implement a strategy of greater flexibility in the workforce and this has created a number of industrial relations challenges through the year. The team has been well placed to support DHB CE's through these challenges.

Maintaining the confidence of the Minister, Ministry of Health and other agencies is also critical to the maintenance of the strategy and programme delivery, as is a strong relationship with Health Workforce New Zealand (HWNZ).

Safe Staffing Health Workplaces (SSHW)

The Care Capacity and Demand Management (CCDM) programme is developed by the SSHW Unit which sits within SWS. The objective of the programme is to address key elements of the safe staffing healthy workplaces agenda, by balancing the requirement to deliver quality patient outcomes in quality work environments, in ways that make efficient use of health resources. The work has grown to become a whole of system approach involving a range of professional groups with the Public Service Association (PSA) now also involved.



A Year in Review

Strategic Workforce Services

TAS's key achievements:

- Established the DHBs Workforce Strategy Group.
- Supported 14 National Multi Employer Collective Agreements (MECAs) through bargaining and ratification.
- Supported 20 Single Employer Collective Agreements (SECA) through bargaining and ratification.
- Provided costings and analysis to support National Bargaining and 44 DHB SECAs.
- In the process of bargaining with 7 National MECAs
- All national and regional bargaining achieved within ER settings, within affordability parameters and government expectations and with very limited industrial action.
- Received endorsement by the 20 DHBs of the action plan from the independent evaluation of the CCDM programme.
- Received validation of the Full Time Equivalent (FTE) calculation in the CCDM programme through an independent report from MartinJenkins.

The Strategic Workforce Services (SWS) team has three key programmes which all contribute to the successful delivery of workforce and employment relations services to the DHBs

Financials



Financial Statements

Statement of comprehensive revenue and expense for the year ended 30 June 2016

	Note	2016 Actual \$000s	2015 Actual \$000s
Revenue			
DHB revenue		28,464	28,627
Interest revenue		107	156
Other revenue	2	8,194	3,779
Total revenue		36,765	32,562
Expenditure			
Personnel costs	3	20,818	17,195
Depreciation and amortisation expense		244	202
Other expenses	4	15,450	15,009
Total expenditure		36,512	32,406
Net surplus/(deficit)		253	156
Other comprehensive revenue		-	-
Total comprehensive revenue		253	156

The accompanying notes form part of these financial statements.

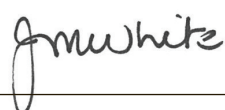
Statement of financial position

as at 30 June 2016

	Note	2016 Actual \$000s	2015 Actual \$000s
Current Assets			
Cash and cash equivalents	5	9,258	6,481
Receivables	6	2,972	5,836
Prepayments		146	86
GST receivable		143	282
Total current assets		12,519	12,685
Non-current assets			
Property, plant & equipment		324	324
Intangible assets		329	78
Total non-current assets		653	402
Total assets		13,172	13,087
Current liabilities			
Payables	7	3,779	6,528
Funds received in advance		6,017	3,512
Employee entitlements	8	893	817
Total current liabilities		10,689	10,857
Non-current liabilities			
Working capital reserve		715	715
Total non-current liabilities		715	715
Total liabilities		11,404	11,572
Net assets		1,768	1,515
Equity			
Share capital		-	-
General funds		1,768	1,515
Total equity		1,768	1,515

The accompanying notes form part of these financial statements.

For and on behalf of the Board:



Dr Jan White. Chair
28 September 2016



Murray Bain, Director
28 September 2016

Statement of changes in equity

for the year ended 30 June 2016

	Note	2016 Actual \$000s	2015 Actual \$000s
Balance at 1 July		1,515	19,672
Total comprehensive income and expense for the year		253	156
Reclassification of equity	9	-	(18,313)
Balance at 30 June		1,768	1,515

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2016

	Note	2016 Actual \$000s	2015 Actual \$000s
Operating Activities			
Receipts from customers		42,027	37,310
Interest received		107	156
Payments to employees		(20,741)	(17,051)
Payments to suppliers		(18,273)	(15,038)
Goods and services tax (net)		139	(703)
Net Cash Flow from Operating Activities	10	3,259	4,674
Investing Activities			
Purchase of property, plant, equipment		(482)	(5,006)
Net Cash from Investing Activities		(482)	(5,006)
Net (decrease)/increase in cash and cash equivalents		2,777	(332)
Cash and cash equivalents at the beginning of the year		6,481	6,813
Cash and cash equivalents at the end of the year		9,258	6,481
Represented by:			
Cash and cash equivalents		9,258	6,481
Cash and cash equivalents		9,258	6,481

Notes to the Financial Statements

1. Statement of accounting policies

Reporting Entity

Central Regions Technical Advisory Service Limited ("TAS") is a multi-parent subsidiary company owned by the six central region DHBs, which are Crown entities as defined by the Crown Entities Act 2004. The relevant legislation governing TAS operations is the Crown Entities Act 2004. TAS's ultimate parent is the Crown.

TAS's primary objective is to provide professional services to the New Zealand health sector. TAS does not operate to make a financial return.

TAS has designated itself as a public benefit entity (PBE) for financial reporting purposes. The financial statements for TAS are for the year ended 30 June 2016, and were approved by the Board on the 28th of September 2016.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of TAS have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the PBE accounting standards as appropriate for Tier 1 public sector public benefit entities.

Measurement base

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

Standards issued and not yet effective and not early adopted

There are no new, revised or amended standards that have been issued but are not yet effective that would have a significant impact on the company's financial statements.

Summary of Significant Accounting Policies

Revenue

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

DHB funding

TAS is funded by the National and Regional DHBs. DHB revenue is recognised as revenue when it becomes receivable unless there is an obligation in substance to return the funds if conditions of the National or Regional Workplans are not met. If there is such an obligation, the funding is initially recorded as revenue in advance and recognised as revenue when conditions of the work plans are met.

Ministry of Health funding

TAS receives funding from the Ministry of Health ("MoH") for a number of different initiatives, the most significant being interRAI. MoH revenue is recognised as revenue when it becomes receivable unless there is an obligation in substance to return the funds. If there is such an obligation, the funding is recorded as revenue in advance.

Interest revenue

Interest revenue is recognised using the effective interest method.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that TAS will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Payables

Short-term payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

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

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.

Presentation of employee entitlements

Annual leave is classified as a current liability.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated surplus/(deficit)

Goods and services tax

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, 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 GST relating to investing and financing activities is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

TAS is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Critical judgements in applying accounting policies

In recognising revenue and funds in advance there is some judgement involved in the allocation of revenue to reporting period. This allocation is done per contract, excess funds received on contracts with pay back clauses are recognised as funds in advance. If a contract period is across year end the revenue will be allocated based on percentage of completion of the contract. If milestones are not obvious in the contract. Excess expenses incurred to date will be used as a guide for the percentage of completion.

Comparatives

Certain amounts in the comparative information have been reclassified to ensure consistency with the current year's presentation.

2. Other revenue

	2016 Actual \$000s	2015 Actual \$000s
MOH revenue	7,669	2,359
Gain on disposal	-	562
Other revenue	525	858
Total revenue	8,194	3,779

3. Personnel costs

	2016 Actual \$000s	2015 Actual \$000s
Salaries and wages	20,549	16,718
Defined contribution plan employer contributions	329	283
Increase/(decrease) in employee entitlements	(60)	194
Total personnel costs	20,818	17,195

Employer contributions to defined contribution plans include contributions to Kiwi Saver.

4. Other expenses

	2016 Actual \$000s	2015 Actual \$000s
Fees to auditor		
- Fees to KPMG (2015: Audit New Zealand) for audit of financial statements	40	59
Office lease	419	392
Travel and transport	1,361	1,276
Consultancy	3,269	2,535
Information Communications Technology - RHIP	4,660	5,467
Information Communications Technology - Non-RHIP	3,643	2,588
Legal Fees	530	334
Facility Reimbursements	246	996
Other	1,282	1,362
Total expenses	15,450	15,009

5. Cash and cash equivalents

	2016 Actual \$000s	2015 Actual \$000s
Cash at bank and on hand	9,258	6,481
Total cash and cash equivalents	9,258	6,481

6. Receivables

	2016 Actual \$000s	2015 Actual \$000s
Receivables (gross)	2,539	5,398
Accrued debtors	438	438
Less: provision for impairment	(5)	-
Total receivables	2,972	5,836
Total receivables comprises:		
Receivables from exchange transactions	2,972	5,836
Receivables from non-exchange transactions	-	-

The ageing profile of receivables at year end is detailed below:

	2016 Actual \$000s	2015 Actual \$000s
Not past due	1,897	1,239
Past due 31 - 60 days	257	820
Past due over 60 days	818	3,777
Total	2,972	5,836

All receivables greater than 30 days in age are considered to be past due.

There is a \$5k impairment provision for receivables (2015: nil).

7. Payables

	2016 Actual \$000s	2015 Actual \$000s
Creditors	1,929	5,307
Accrued expenses	1,850	1,221
Total payables	3,779	6,528
Total payables comprises:		
Payables from exchange transactions	3,645	6,394
Payables from non-exchange transactions	134	134

8. Employee entitlements

	2016 Actual \$000s	2015 Actual \$000s
Current portion		
Accrued salaries	172	86
Annual leave	604	665
Other short term benefits	117	66
Total employment entitlements	893	817

9. Reclassification of equity

There have been no equity reclassifications in 2016. During the 2015 year shareholder DHBs decided to take over ownership of the CRISP asset. This was a change to the previous ownership agreement and resulted in the reversal of capital contribution previously included in share capital.

10. Reconciliation of net surplus/deficit with net cash flow from operating activities

	2016 Actual \$000s	2015 Actual \$000s
Net surplus	253	156
Add back non-cash items		
Depreciation and amortisation expense	232	(356)
Total non-cash items	232	(356)
Add/(less) movements in statement of financial position items		
Decrease/(increase) in receivables	3,003	7,373
(Increase)/decrease in prepayments	(60)	712
(Decrease)/increase in payables	(2,751)	843
Increase/(decrease) in employee entitlements	77	144
(Decrease)/increase in funds received in advance	2,505	(4,198)
Net movements in working capital items	2,774	4,874
Net cash flow from operating activities	3,259	4,674

11. Commitments

Capital commitments

	2016 Actual \$000s	2015 Actual \$000s
Within 12 months	391	-
Greater than 12 months	-	-
Total Capital Commitments	391	-

Capital commitments relate to leasehold improvements at the premises in Tory Street which TAS will move into in 2017.

The future aggregated minimum lease payments to be paid under non-cancellable operating leases are as follows:

Operating Leases as Lessee

	2016 Actual \$000s	2015 Actual \$000s
Not later than one year	578	295
Later than one year and not later than five years	3,282	-
Later than five years	3,864	-
Total non-cancellable operating leases	7,724	295

TAS leases office space at 186 Willis Street, Wellington. The lease expires on 30 April 2017. TAS has signed a lease for a new premises at 69 Tory Street. This lease expires 9 years from commencement.

12. Contingencies

TAS has no contingent liabilities or contingent assets. (2015: Nil).

13. Related Party Transactions

TAS is a multi-parent subsidiary of a group of Central Region DHBs.

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 TAS would have adopted in dealing with the part at arm's 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.

The following transactions are not at arm's length.

	Revenue		Accounts Receivable		Expenses		Accounts Payable	
	Year to June 2016 \$000	Year to June 2015 \$000	Year to June 2016 \$000	Year to June 2015 \$000	Year to June 2016 \$000	Year to June 2015 \$000	Year to June 2016 \$000	Year to June 2015 \$000
Auckland DHB	-	-	-	-	75	-	-	-
Bay of Plenty DHB	632	771	-	2	84	97	29	-
Canterbury DHB	1,347	1,568	123	149	501	138	-	-
Capital & Coast DHB	5,192	4,095	823	1,393	262	220	17	40
Counties Manukau DHB	-	-	-	-	77	-	15	-
Hawkes Bay DHB	3,780	2,651	30	55	79	59	10	1
Hutt Valley DHB	3,189	2,371	159	1,883	143	59	26	7
Lakes DHB	289	350	-	67	10	3	-	3
MidCentral DHB	4,490	3,555	125	23	53	1	10	-
Nelson Marlborough DHB	451	514	48	(45)	53	-	10	-
Northern Regional Alliance*	5,031	5,031	-	-	236	622	3	52
Northland DHB	-	-	-	-	53	-	10	-
Tairāwhiti DHB	147	179	-	-	24	-	14	-
Taranaki DHB	314	382	30	-	672	130	5	36
South Canterbury DHB	177	208	(1)	(20)	24	-	-	-
Southern DHB	988	1,216	-	25	150	6	86	-
Waikato DHB	1,006	1,225	-	-	75	3	86	-
Wairarapa DHB	1,925	750	29	18	24	-	5	-
Waitemata DHB	-	-	-	-	75	-	14	-
West Coast DHB	111	127	-	(12)	-	-	-	-
Whanganui DHB	2,450	1,362	216	545	24	-	5	-

*Revenue is billed to Northern Regional Alliance on behalf of Auckland DHB, Counties Manukau DHB, Northland DHB and Waitemata DHB

Key management personnel compensation

	2016 Actual	2015 Actual
Leadership team		
Remuneration	\$1,655,640	\$1,752,734
Full-time equivalent members	8.0	8.4

14. Board member remuneration

	2016 Actual \$000s	2015 Actual \$000s
Dr Jan White (Chairperson)	30	31
Murray Bain	15	16
Elaine McCaw	-	16
Deryck Shaw	15	16
Murray Georgel	15	3
Wendy McPhail	15	-
Total Board member remuneration	90	82

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.

TAS has provided a deed of indemnity to Directors for certain activities undertaken in the performance of TAS's functions.

TAS has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

15. Events after Balance date

There were no significant events after the balance date.

16. Financial instruments

TAS is risk averse and seeks to minimise exposure arising from its treasury activity. TAS does not enter into any transaction that is speculative in nature.

TAS has a series of policies providing risk management for interest and currency rates and the concentration of credit.

Fair value interest rate 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. TAS's exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest. TAS does not actively manage its exposure to fair value interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. TAS has no exposure to currency risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to TAS causing it to incur a loss.

Due to the timing of cash inflows and outflows, TAS invests surplus cash with registered banks.

In the normal course of business, TAS is exposed to credit risk from cash and term deposits with banks and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position. TAS holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that TAS will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash.

TAS mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

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. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 Months \$000	Later than 1 year \$000
2015					
Payables (excluding funds received in advance and taxes payable)	6,394	6,394	6,394	-	-
Total	6,394	6,394	6,394	-	-
2016					
Payables (excluding funds received in advance and taxes payable)	3,621	3,621	3,621	-	-
Total	3,621	3,621	3,621	-	-

17. Capital management

TAS capital is its equity which comprises accumulated funds. Equity is represented by net assets.

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

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

Independent Auditor's Report

To the shareholders of Central Region's Technical Advisory Services

We have audited the accompanying financial statements of Central Region's Technical Advisory Services ("the company") on pages 24 to 39. The financial statements comprise the statement of financial position as at 30 June 2016, the statements of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, this report or any of the opinions we have formed.

Directors' responsibility for the financial statements

The directors are responsible on behalf of the company for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards (Public Sector)) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Our firm was also engaged by the company to assist with an internal audit review at one of the company's shareholders. This matter has not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company.

Opinion

In our opinion, the financial statements on pages 24 to 39 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the financial position of Central Region's Technical Advisory Services as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards (Public Sector).

The financial statements of Central Region's Technical Advisory Services, for the year ended 30 June 2015, were audited by another auditor who expressed an unmodified opinion on those statements on 28 October 2015.

The image shows the handwritten signature of a KPMG auditor in dark ink.

28 September 2016
Wellington



