



Response to your request for official information

Thank you for your request for information under the Official Information Act 1982 (the Act) on 17 July 2019:

“As part of this request I would be particularly interested in any figures on how much of the capital charge has been funded and how much has not been funded, broken down by DHBs, over the last 3 years.”

On 17 July 2019 your request was partially transferred from the New Zealand Treasury to the Ministry of Health (the Ministry) under section 14(b)(ii) of the Act, as the information is believed to be more closely connected with the functions of the Ministry.

The district health boards (DHBs) are funded to provide health and disability services for their resident population and for other people as specified in their Crown funding agreements.

DHBs are expected to meet capital charge payments from within this overall level of funding. The total funding provided is not broken down into components such as personnel, operating and capital charge costs. Therefore, your request is refused under section 18(g) of the Act, as the information requested is not held by the Ministry and I have no reason to believe that it is held by any other department, Minister of the Crown, or organisation.

DHB funding may, however, be increased or decreased in the following circumstances:

1. capital charges payable from asset revaluation increases or decreases;
2. increases or decreases in the capital charge rates; and
3. an increase in capital charge due to conversion of debt to equity undertaken in February 2017.

Table one attached to this response outlines the impact on DHB funding as a result of changes to the capital charge regulations over the time period you requested.

Please note that the Minister of Health, Hon Dr David Clark, has recently announced that DHBs will also get funding for the capital charge costs as a result of building new facilities.

Under section 28(3) of the Act you have the right to ask the Ombudsman to review any decisions made under this request.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sue Gordon', with a long horizontal flourish extending to the right.

Sue Gordon
Deputy Director-General
Corporate Services

Table one: Changes to DHB baseline funding as a result of changes to the capital charge regulations from 2016/17 to 2018/19

Incr / (Decr) \$000	2016/17				2017/18				2018/19			
	Revaluation	Rate Change 8% to 7%	Rate Change 7% to 6%	Debt/Equity Swap	Revaluation	Rate Change 8% to 7%	Rate Change 7% to 6%	Debt/Equity Swap	Revaluation	Rate Change 8% to 7%	Rate Change 7% to 6%	Debt/Equity Swap
Auckland DHB	5,643	(6,057)	(3,039)	(3,045)	6,041	(6,057)	(6,078)	(3,045)	6,041	(6,057)	(6,078)	(3,045)
Bay of Plenty DHB		(1,162)	(574)	(1,522)		(1,162)	(1,147)	(1,522)	1,060	(1,162)	(1,147)	(1,522)
Canterbury DHB		(1,943)	(1,563)	(2,072)	(107)	(1,943)	(3,126)	(2,072)	(107)	(1,943)	(3,126)	(2,072)
Capital & Coast DHB		(934)	(399)	(3,390)		(934)	(798)	(3,390)	6,786	(934)	(798)	(3,390)
Counties Manukau DHB	3,701	(2,790)	(1,411)	(2,925)	7,566	(2,790)	(2,822)	(2,925)	8,037	(2,790)	(2,822)	(2,925)
Hawke's Bay DHB	(144)	(910)	(454)	(425)	(144)	(910)	(907)	(425)	775	(910)	(907)	(425)
Hutt Valley DHB		(915)	(444)	(790)	241	(915)	(888)	(790)	2,536	(915)	(888)	(790)
Lakes DHB		(817)	(400)	(481)	1,019	(817)	(799)	(481)	1,019	(817)	(799)	(481)
MidCentral DHB		(1,411)	(699)	(567)		(1,411)	(1,397)	(567)	869	(1,411)	(1,397)	(567)
Nelson Marlborough DHB		(983)	(496)	(555)		(983)	(992)	(555)	1,996	(983)	(992)	(555)
Northland DHB		(1,245)	(619)	(247)	(297)	(1,245)	(1,237)	(247)	1,236	(1,245)	(1,237)	(247)
South Canterbury DHB	97	(270)	(137)	(128)	97	(270)	(273)	(128)	97	(270)	(273)	(128)
Southern DHB	(8)	(828)	(358)	(1,292)	(1,213)	(828)	(715)	(1,292)	861	(828)	(715)	(1,292)
Tairāwhiti DHB		(267)	(125)	(148)	(2)	(267)	(250)	(148)	137	(267)	(250)	(148)
Taranaki DHB		(668)	(335)	(740)		(668)	(669)	(740)	2,945	(668)	(669)	(740)
Waikato DHB	123	(2,329)	(1,179)	(2,117)	10,697	(2,329)	(2,358)	(2,117)	10,697	(2,329)	(2,358)	(2,117)
Wairarapa DHB		(75)	(25)	(258)		(75)	(49)	(258)		(75)	(49)	(258)
Waitemata DHB	2,346	(3,341)	(1,679)	(2,764)	2,328	(3,341)	(3,357)	(2,764)	3,284	(3,341)	(3,357)	(2,764)
West Coast DHB		(122)	(57)	(144)		(122)	(113)	(144)	216	(122)	(113)	(144)
Whanganui DHB		(376)	(185)	(367)		(376)	(369)	(367)	421	(376)	(369)	(367)