

New Zealand Blood Service
annual report
2012/2013





Mana with his son, Tamanuhiri (Tama).

Haka is in the blood – a journey to wellness

When Manawanui (Mana) Parata led his kapa haka team, Te Ahikomau a Hamoterangi, onto the stage at Te Matatini in Rotorua in February 2013, it was an important milestone in his recovery from the mystery illness that had almost killed him five months earlier.

Mana (Ngāi Tahu, Waitaha, Ngāti Māmoē, Ngāti Kahungunu), credits much of his recovery from what was eventually diagnosed as Guillain-Barré Syndrome, to his determination to take part in the event.

Mana became suddenly ill in late August 2012. His doctor had diagnosed flu but within hours he had gone downhill and was rushed to hospital suffering from a high fever, the onset of a mystery numbness and an inability to move. It was two days before a neurologist finally diagnosed the rare condition, Guillain-Barré Syndrome, which affects the peripheral nervous system. It is usually triggered by an infection, can cause life threatening complications and occurs in only one in 100,000 people.

Mana, who is the Business Applications Manager for New Zealand Blood Service (NZBS), had been working hard for sometime prior to his illness and noticed he had been tired, rundown and weak.

The disease attacks the immune system and soon after diagnosis, Mana was given Intragam®P, a blood product that neutralises antibodies and revitalises the white blood cell count to fight off viruses. When that didn't work, he was admitted to the Intensive Care Unit (ICU). His lungs had collapsed, he was suffering liver failure and he had pneumonia.

In ICU he was put on life support, where he remained for three weeks. It was only after a second course of Intragam®P that he started to make progress.

It is ironic, Mana says, that the blood products available through NZBS are what saved his life. He is still enormously grateful to the NZBS team who turned up at the hospital in person to deliver the vital Intragam®P he needed for his recovery.

By October, Mana was well enough to be transferred to Burwood Hospital for his recuperation. There, displaying his characteristic determination and strength of character, he defied the odds and sped through his physical recovery.

"I'm very fortunate and it's made me appreciate the important things in life – family, friends, work and kapa haka. I'm very loyal to New Zealand Blood Service too, of course. I'm a very good example of how their work saves lives and I'm a strong advocate for Māori putting themselves forward for blood and bone marrow donations. It's important to remember that the blood you donate could save the lives of someone within your own whānau," he says.

(Abridged from Te Karaka, Author Adrienne Rewi)

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safety

Safety is our Cornerstone

Ko te haumarū tā mātau mātapono taketake

excellence

Striving for Excellence

Kia tau kite Tihi

team work

Te Mahi Ngātahi

integrity & respect

Te Pono me Te Tika

communication

Open Communication

Te Whakawhitiwhiti Whakaaro i runga i te Māharahara

NZBS enduring outcome

Health needs of people in New Zealand are supported by the availability of safe and appropriate blood and tissue products and related services.

Our vision

As the provider of blood services for New Zealand, the New Zealand Blood Service will be recognised for excellence in meeting the needs of donors, patients, its staff and the wider healthcare community.



The year in review

It is with much pleasure that we present this Annual Report outlining the efforts and contributions of New Zealand Blood Service (NZBS) management, staff and tens of thousands of voluntary non-remunerated blood donors during the 2012-13 year. We have met our supply obligations and delivered a financial result in line with budget in a year where there has been a decline in demand for our key products.

As the national body responsible for the collection, testing, manufacturing and distribution of blood and blood products and tissue typing services in New Zealand, our focus remains on our core enduring outcome:

Health needs of people in New Zealand are supported by the availability of safe and appropriate blood and tissue products and related services.

New Zealand Blood Service plays an integral role in New Zealand's healthcare system by providing blood and blood products of the highest possible standards of safety and quality to prescribing clinicians. This is achieved through the application of stringent safety protocols aligned to international best practice. Self-sufficiency; whereby we collect sufficient whole blood, plasma and platelets to meet the needs of the New Zealand healthcare system, is something that we are extremely proud of and work hard to maintain as it provides surety of supply to the hundreds of New Zealand patients whose lives and quality of life rely on access to safe blood products. National Medical Director Dr Peter Flanagan provides an update from the World Health Organisations Expert Consensus Meeting on Self-sufficiency on page 21.

Every minute, every day, someone in New Zealand needs blood. At NZBS, everything we do revolves around finding the right match. Our role is to pair donors with recipients – not only for blood products and stem cells, but also in many areas of organ and tissue donation and transplantation. From collecting 169,527 donations (last year 181,822 donations) each of which is individually tested, supplying 232,564 units of blood products (last year 240,987 units) to New Zealand's hospitals and facilitating 182 organ transplants and 79 matched stem-cell transplants through our Tissue Typing service, our accomplishments in 2012/13 reinforce the important role that we play as a trusted partner, working to match the needs of New Zealand's healthcare providers and their patients.

REDUCTION IN DEMAND

Every year NZBS actively engages with District Health Board (DHB) clinicians supporting their prescribing of blood and blood products. Together we are implementing measures to conserve donors' valuable gift of blood and to promote state-of-the-art responsible blood management and utilisation. This is consistent with recent research which shows that the outcomes for patients treated using a restricted transfusion policy are at least as good as for those receiving higher transfusion rates in association with a more liberal approach to transfusion. The success of these initiatives has contributed to a six percent decline in the demand for red blood cells in the last 12 months and a corresponding decline in NZBS revenue.

We are forecasting that despite population increases, this decline in demand will continue into the next year as all DHBs adopt this wiser use of our products.

The challenge for the blood service is to adjust collections to match the reduction in demand in order to minimise product expiry. We are achieving this through the realignment and very close management of our daily collection targets by blood group to ensure that we have just the right quantity of each product by blood group available (for further insight refer article on managing collections on page 21).

To better manage collections also requires a change for our donors. We are asking donors to make an appointment rather than just walking in to donate in order to help us ensure that we are only collecting the required quantity of blood by blood group each day to match demand. To encourage appointments and in keeping with our strategy to recruit the next generation of donors, we launched iPhone, iPad and Android Apps for blood donors in July 2012 (refer article on page 23). The Apps enable donors to search for a place to donate, look up their donation history or to schedule, change or cancel an appointment.

Despite the decline in demand we still need to recruit at least 12,000 new donors every year to replace current donors who retire or are no longer eligible to donate. In 2012/13 we recruited 15,644 new donors.

PARTNERS FOR LIFE

Launched in 2012, our new *Partners for Life* programme provides an easy and flexible support system for companies and organisations of all sizes to help their staff to donate blood regularly as a team. The programme caters for large and small organisations with group coordinators liaising with NZBS Donor Recruiters to arrange company blood drives. As part of this programme, NZBS can either set up a blood drive at the company site if there are sufficient donors, or provide a shuttle service to one of the NZBS Donor Centres or community blood drives. Being arranged several weeks in advance, this is a great way for NZBS to plan its blood group specific collections and for companies to demonstrate their Corporate Social Responsibility (refer article on page 17 about the programme launch in Auckland with Westpac Bank).

FINANCIAL SUSTAINABILITY

Blood conservation techniques and clinical practice changes have led to lower demand for some products as outlined above and we anticipate this continuing into the next year. This reduction in demand presents financial challenges. NZBS is committed to creating a more efficient blood system but we will never do so at the expense of quality or surety of supply. Safety is the cornerstone of everything that we do. As trusted stewards of the donors' gift, we focus on preserving the highest standards of safety and as a responsible crown entity funded by taxpayer dollars, we are also committed to delivering value for money.

We are actively participating in the All-of-Government procurement initiatives and working with Health Benefits Ltd and the DHBs to realise financial savings wherever possible.

Faced with the challenge of reduced demand we have made the difficult decision in early July 2013 to commence a consultation process with our staff at the Napier and Nelson Donor Centres on a proposal to make a transition from fixed site collection facilities to a mobile donor collection service in the Nelson/Marlborough and Hawkes Bay regions. A decision following the outcome of the consultation process was made in August 2013.

ENHANCING SAFETY AND EFFICIENCY

Improving the safety and quality of blood products is one of NZBS's key strategic goals. One way that blood services around the world achieve this is through the establishment of a nationwide haemovigilance programme. NZBS's national haemovigilance programme examines and reports annually on the frequency and causes of adverse transfusion related events, to help health professionals understand the risks associated with blood transfusion and assist development of improved systems for the safe delivery of blood products to patients. The latest Haemovigilance Report can be found on our website: <http://www.nzblood.co.nz/Clinical-information/Haemovigilance-programme>

In a move to enhance both efficiency and safety we have reconfigured the structure of our Processing Laboratory in Auckland to create a separate national components development function. This will facilitate a more focused approach to component development and implementation of more complex procedures in response to efficiency and safety advances.

Our service to donors has been enhanced with the introduction of the Donor and Product Safety (DAPS) service. Previously, donors with questions about their eligibility to donate were transferred by Atlantis Healthcare (our contracted call centre) to the donors' local Donor Centre team. Unfortunately, due to the focus being on donors who are actually donating, these calls were not always immediately answered. By pooling resources and establishing a small team of nurses dedicated to taking these calls, both the service to donors, consistency of advice and ability to "get an answer" and make an appointment have been greatly enhanced.

Technology is an important enabler for the blood service. For most essential components we have two suppliers. However, until this year, we only had one for donor apheresis equipment. A supply issue for a critical apheresis consumable component in 2011 demonstrated our vulnerability. Therefore in the last year, we have introduced a second provider. The additional benefit of the new TRIMA technology from TerumoBCT is that it will enable three doses of platelets to be collected from the majority of our plateletpheresis donors, meaning that we can reduce the frequency that we call these donors and also deliver improved efficiency.

INVESTMENT IN FACILITIES

Established in 1998, NZBS has commenced the process of managing a step change in its business this year by progressively implementing recommendations from the 2009 Collections and Facilities Review. The two major hub-site facilities (which are leased) in Christchurch and Auckland are being expanded to meet regulatory requirements as a result of:

- technology changes;
- space pressures and regulatory compliance requirements;
- increasing requirements over the next few years for plasma collection to meet the growing demand for intravenous immunoglobulin and;
- in the case of Christchurch in response to issues arising from the 2010/11 earthquakes.

In November 2012, NZBS committed to a partnership arrangement with Ngāi Tahu Property Ltd to build and lease a purpose designed facility in Christchurch which will be ready for occupation in early 2015 (refer article on this exciting new facility on page 10).

With the relocation of National Office in mid-2012, the Donor Services area at the Auckland hub-site has been reconfigured and modernised. Planning has now commenced for an extension of the Auckland Laboratory areas, which is likely to be completed in 2015.

Our Wellington landlord, Capital & Coast DHB, is in the process of completing seismic strengthening of the Wellington Blood Donor Centre after a structural assessment identified possible vulnerabilities with the construction. When completed in 2013, it will raise the seismic rating of the building to 100% of the new Structural Design Code standard.

In October 2012, Tauranga became the seventh plasmapheresis collection site providing an additional centre for donors to donate plasma (refer article on page 12).

UPGRADE OF BLOOD MANAGEMENT SYSTEM

In August 2012, we successfully implemented the upgrade of our blood management system eProgesa (see page 22). Great teamwork between a dedicated NZBS project team, French software company MAK-System and IT outsource partner Datacom, enabled this implementation of the multi-year \$7.4M upgrade project to take place over a weekend at every NZBS site and all of the DHB Blood Banks. The new eProgesa system brings a number of immediate benefits to NZBS, in addition to providing capability for a range of other developments to assure the future safety and effectiveness of New Zealand's blood supply.



OUR PEOPLE

NZBS has had another very busy and successful year, responding to the changes in demand for our products and services and making key strategic decisions to shape the future of New Zealand's blood service.

As an organisation, NZBS brings together groups of people from all walks of life: our donors, nurses and donor services staff, scientists and technicians, medical staff, management and those who carry out administrative and other activities that are crucial to the smooth functioning of the organisation. They are a team with a shared commitment to the welfare of the wider community and to maintaining the vital role that NZBS plays in the New Zealand healthcare system. It is therefore, with a heavy heart, that we entered the consultation process with our staff in Napier and Nelson about the potential closure of these two fixed-site facilities. The impact of this consultation is being felt by staff across the organisation.

During the year we said farewell to Pamela Jeffries from the Board after three years of service. Pamela has been replaced by Raewyn Idoine. Don Mikkelsen also left NZBS as Operations Manager after nearly six years and we were delighted to make an internal appointment with Christine Van Tilburg, filling this critical leadership role. We extend our thanks to both Pamela and Don for their contribution to the organisation.

IN CONCLUSION

We would like to once again acknowledge and thank the outstanding commitment and participation shown by our donors and hardworking staff who are both vital members of the NZBS team.

We feel privileged to lead this organisation and look forward to working with all of our stakeholders in the coming year to maintain and, wherever possible, continue to improve our service.

David Chamberlain
Board Chairman

Fiona Ritsma
Chief Executive

Structure and governance

NZBS is a Crown entity established in 1998 and operates under the New Zealand Public Health and Disability Act 2000.



Left to right: David Wright (Deputy Board Chairman), Raewyn Idoine, Prof Peter Browett, David Chamberlain (Board Chairman) and Ian Ward. Absent – Tania Kingi.

Its legislated primary purpose and core activity is the safe, timely, high quality and efficient provision of blood, blood products and services to clinicians for the people of New Zealand. In addition to this, NZBS provides related services including matching of patients and donors prior to organ/tissue transplantation and the provision of tissue banking (skin and bone) and stem cell services. These activities contribute to achievement of the organisation's single enduring outcome:

Health needs of people in New Zealand are supported by the availability of safe and appropriate blood and tissue products and related services.

NZBS is required under the Crown Entities Act 2004 (the Act) to give effect to Government policy as directed by the responsible Minister, the Minister of Health. The NZBS Board is appointed by and responsible to the Minister of Health and performs strategic and governance functions for the organisation in accordance with the Act. The collective duties of the Board under the Act include ensuring that NZBS acts consistently with its objectives, functions, Statement of Intent and Output Agreement; performs its functions efficiently, effectively and consistently with the spirit of service to the public; and operates in a financially responsible manner. Board members also have individual duties to: comply with the Act (including with respect to disclosure of information); act with honesty and integrity; act in good faith and not at the expense of NZBS's interests; and act with reasonable care, diligence and skill.

The NZBS Board appoints the Chief Executive Officer (CEO) who reports directly to them. An Executive Management Team (see following pages) supports the CEO, with individual members of that team holding separate responsibilities for key operational areas within the blood service.

The NZBS Board ensures that the organisational activities support achievement of the following seven Strategic Goals for the 2012/13 year:

1. NZBS builds on core capabilities to provide a range of products and services which are appropriate to New Zealand health needs and priorities
2. NZBS achieves the highest possible Safety and Quality standards in all that it does
3. NZBS manages a sustainable donor population capable of supporting ongoing product demand in New Zealand
4. NZBS relationships with other health sector entities are mutually supportive and productive
5. NZBS has a sustainable, competent and engaged workforce
6. NZBS uses international best practices and internal Research & Development capabilities to improve and develop products and services for the New Zealand health and disability sector
7. NZBS is a financially sustainable organisation operating effectively and efficiently.

David Chamberlain

Board Chairman

Joined NZBS Board:
1 October 2009

Current term concludes:
30 September 2015

David Chamberlain is currently Head of Insurance at Kiwibank leading the expansion of Kiwi Insurance Ltd, a sister company to Kiwibank. He has over 20 years commercial experience in the financial services sector and has experience both as an Executive and as a Director. He was a Member of the University Council of Victoria University of Wellington until 31 May 2013.

Prior to his role at Kiwibank, David worked as an independent consulting actuary for over 10 years and has been an NZBS Board Member for 4 years, taking over the Board Chairman role in August 2011. David's consulting life saw him work with a diverse variety of clients, from fishing companies to superannuation funds.

David has a Bachelor of Economics from Macquarie University in Sydney, is a Fellow of the New Zealand Society of Actuaries, Fellow of the Institute of Actuaries of Australia and a member of the Institute of Directors.

Raewyn Idoine

Joined NZBS Board:
1 October 2012

Current term concludes:
30 September 2015

Raewyn is currently Chair of the Southern Regional Health and Disabilities Ethics Committee and Advisor Marketing and Vocational Strategy for Lincoln University. She has significant experience at a senior level in the education, tourism and health sectors, having been Independent Chair of the Local Government Industry Training Organisation, Stakeholder Engagement Manager for the Tertiary Education Commission and a board member of Learning State (the state sector industry training organisation).

Involved in a number of successful business startups, Raewyn established the Sir George Seymour National College of Tourism and Travel, Natcoll (now Yoobee) and the Achievement Institute of Language. She is also a past member of the Ministry of Education's Tertiary Advisory Group and was on the Quality Council of the NZ Qualifications Authority.

She commenced her career as a registered nurse at Auckland Hospital.

David Wright

Deputy Board Chairman

Joined NZBS Board:
15 August 2008

Current term concludes:
14 August 2014

David is a Professional Director and Consultant with a career spanning both the corporate and state sectors. He is currently Chair of West Coast Energy Pty Ltd, a Director of Workbridge Inc and the New Zealand Domain Name Registry Limited. His health experience includes providing advice on business opportunities to amalgamate support functions of the 20 District Health Boards for Health Benefits Limited.

David has previously held senior appointments in the meat, dairy and transport sectors including Chief Executive and Director of the Land Transport Safety Authority (LTSA) and Chief Executive of Dairy InSight Inc.

David has an MBA awarded with Distinction and a BTech (Food) (Hons) degree.

Tania Kingi

Joined NZBS Board:
15 August 2008

Current term concluded:
7 July 2013

Tania has a long history of involvement among Māori communities and the health and disability sector. She is currently Managing Director of Kaiarahi Tapiri Ltd, a company specialising in Māori development. Tania is a member of the Technical Advisory Group (family carers) to the Ministry of Health, provides management services to Te Roopu Waiora, a disability consumer led Trust and co-chairs Te Ora o Manukau, one of the oldest and largest intersectoral Māori collectives in the country. Tania is an advisor to Te Taumata Roopu – a public health Māori advisory group to the Ministry of Health and a member of the Disability Strategic Advisory Group to the Auckland Council.

A former Board Member of the Charities Commission and Practice Auditor and Contract Manager for the Ministry of Health; her specialist area is planning and analysing Māori development with a keen interest in indigenous research practices.

Tania is of Ngāti Awa, Te Arawa and Ngāi Tai descent and has a Diploma of Business in Māori Development.

Prof Peter Browett

Joined NZBS Board:
1 October 2009

Current term concludes:
30 September 2015

Peter is a Consultant Haematologist at Auckland City Hospital and Professor of Molecular Medicine and Pathology within the Faculty of Medical and Health Sciences at the University of Auckland. Peter is currently a Committee Member of the Auckland City Hospital Transfusion Advisory Committee and a Board Member and Medical Advisor to Leukaemia and Blood Cancer New Zealand.

Peter is a member of the Auckland Medical Research Foundation Board and chairs their medical and scientific committees. He is also on the Board of the Cancer Society of New Zealand Auckland Division. He has also been involved in several clinical and laboratory studies related to research on blood disorders, in particular leukaemia.

He is a graduate of the University of Otago Medical School and after postgraduate training in clinical and laboratory haematology in Auckland, he was a Wellcome – HRC research fellow in the Department of Haematology, Royal Free Hospital School of Medicine, London.

Ian Ward

Joined NZBS Board:
19 August 2011

Current term concludes:
18 August 2014

Ian currently chairs the Audit and Finance Committee of the Auckland District Health Board (ADHB) and has been on the Board since 2007. He is also a Director of C4 Consulting Ltd, a Strategic Planning and IT Consulting Company, the External Advisor to the health consultancy Francis Group and is Chief Executive of the Auckland Energy Consumer Trust, the major shareholder of Vector Group Limited.

Prior to these roles, Ian has held Chief Executive and General Manager roles within diverse industries such as the Auckland Regional Transport Authority, ADHB and Educorp Services Ltd which was the major service provider to all schools in the Waikato/Bay of Plenty Region.

Earlier in his career Ian worked for Carter Holt Harvey as Group Director of Change Management, General Manager of the Finance Pulp and Paper Group and was the General Manager of Finance for the Property and Construction Sector of Fletcher Challenge Group.

Note: Interests as at 27 June 2013



Executive management team



Fiona Ritsma
Chief Executive Officer

Joined NZBS: 2006

As the Chief Executive Officer (CEO) Fiona leads the Executive Team and is accountable to the NZBS Board. She has overall responsibility for organisational performance including delivery of both its Annual and Strategic Plans and represents NZBS on the National Haemophilia Management Group.

She has a strong focus on values and teamwork. The matrix structure of the leadership team sees the National Medical Director, National Technical and National Donor Services Managers acting as strategic partners to the CEO, providing critical clinical advice and support to enable achievement of the organisation's objectives. The Information Services and Marketing functions also report directly to her.

Fiona commenced her career in health as a radiotherapy radiographer in Christchurch and spent the 18 years prior to joining NZBS in various management roles at the Auckland District Health Board. She is an active member and past President of the New Zealand Institute of Health Management and is currently Vice Chair of the Asia Pacific Blood Network.



Dr Peter Flanagan
National Medical Director

Joined NZBS: 1998

The NZBS Clinical Services team plays a key role in ensuring that clinically appropriate blood products are provided to patients in need, wherever and whenever they are required. Expert transfusion medicine advice is available at all times and is drawn upon in a wide range of situations from selection of donors, to assisting hospital clinicians to provide treatment for complex or urgent clinical transfusion problems.

The clinical function for the organisation is provided by six Transfusion Medicine Specialists located in various centres around New Zealand with support from a number of Medical Officers, six Transfusion Nurse Specialists and three Scientists.

Peter originally trained in Haematology and Transfusion Medicine in the United Kingdom. He worked as a consultant in Transfusion Medicine for the National Blood Service in England for 10 years before moving to New Zealand to take up his current position. He is actively involved in a number of professional organisations and is currently the President of the International Society of Blood Transfusion (ISBT), a member of the World Health Organisation (WHO) Expert Advisory Panel on Blood Transfusion Medicine and a member of a number of working groups of the European Directorate for the Quality of Medicines (EDQM) relating to the 'Guide to the Preparation, Use and Quality Assurance of Blood Components'.



John Harrison
Chief Financial Officer

Joined NZBS: 2008

John leads the NZBS Finance function with responsibility for all finance related activities of NZBS as well as the management of procurement related activities.

The Finance team have responsibility for all invoicing and debtor management duties; procurement of general supplies and services with post contract performance monitoring; insurance risk management; creditor management; product and service costing and pricing management; and treasury and funds management. The Finance team are also responsible for the annual budgeting process, financial forecasting, monthly financial management reporting and statutory financial reporting and associated financial audit and regulatory compliance requirements. The financial management information systems and business intelligence system maintenance and development are also finance function responsibilities.

John is a Chartered Accountant and member of the New Zealand Institute of Chartered Accountants. He has a wealth of experience in varied finance roles ranging from Senior Corporate Finance roles interspersed with periods of self-employment. Since 1992 he has worked primarily within the Crown entity sector.



Sue Jensen
National Manager
Human Resources

Joined NZBS: 2006

The National Manager HR is responsible for providing strategic human resource leadership ensuring policies, programs and HR services support a high performing culture supportive of the enduring outcome, vision and values of NZBS.

Sue's team includes regional HR Advisors, the NZBS Health and Safety Advisor and Payroll team, all of whom are focused on helping NZBS evolve as 'a great place to be'. Working in partnership with members of the Executive and Senior Management teams, her team works towards attracting, selecting, motivating and retaining a highly qualified and diverse workforce; promoting effective leadership and management practices; managing salary and benefits; developing employee recognition programmes; promoting fair and equitable treatment of employees through employee relations services; leading health and safety, inclusive of wellbeing initiatives; and providing training and development.

Sue has an extensive history working in the health sector, initially as a registered nurse in New Zealand and overseas; and since 1999 in a range of Human Resources (HR) management roles, primarily within DHBs.



Christine Van Tilburg
National Manager
Operations

Joined NZBS: 1998

Christine leads the Operations function which provides all routine business activities for NZBS sites in the collection, manufacturing, testing and distribution of more than 180,000 blood donations which are dispensed through NZBS or DHB Blood Banks around New Zealand.

Christine's team includes six Area Managers, each of whom are responsible for the performance of their regions and the Logistics team who ensure safe and efficient receipt, storage, distribution and transportation of products between NZBS sites and external customers. Christine's team also plays a key role in determining the collection targets for each region and managing the call centre to ensure the schedules are filled to meet demand.

Christine trained as a Medical Laboratory Scientist specialising in transfusion science, haematology and immunology and has over 30 years of experience in these fields. Prior to moving into her current role, she spent several years as an Area Manager and following this, her role as Business Development Manager involved the management and implementation of complex projects within NZBS.



Ray Scott
National Manager
Technical Services

Joined NZBS: 1970

The Technical Services function which Ray leads, is responsible for the processing, testing and supply of blood components to meet clinical requirements in hospitals throughout New Zealand. In addition, Ray's role has particular focus on strategic development of technical areas of NZBS and in maintaining accurate and responsive collections and production forecasting and planning. Most recently, this has been further extended to the oversight of NZBS facilities development with major building projects to future proof the Christchurch and Auckland facilities.

Technical Services also undertakes pretransfusion testing to match blood components for transfusion to patients and histocompatibility testing to support the various transplant programmes within New Zealand. Tissue Banks for the provision of bone and skin and a Red Cell Reference Laboratory, are also operated by NZBS.

Ray commenced training as a Medical Laboratory Scientist in 1970 (qualifying with specialisation in clinical chemistry, haematology and immunohaematology) and his association with blood services in New Zealand began in 1971. He has a wealth of experience and technical expertise in blood service operations.



Meredith Smith
National Manager Quality
and Regulatory Systems

Joined NZBS: 2004

The NZBS Quality and Regulatory function is responsible for implementing the quality systems required for regulatory compliance. It is also the champion for quality improvement initiatives in the organisation.

Meredith's team includes the Quality Systems team who are located across all main sites and provide the operational teams with support and advice on quality and regulatory issues and conduct audits to verify compliance with requirements. The Document Systems team is responsible for managing all NZBS controlled documents and records. Meredith also holds the role of NZBS Privacy Officer.

Meredith has 30 years experience in the fields of haematology and transfusion. She originally trained in Australia as a Medical Scientist specialising in haematology and immunohaematology. After several years in hospital laboratories and Blood Banks, she spent twelve years in production and quality roles with the Australian Red Cross Blood Service before moving to NZBS to take up the Quality Manager role.



Olive Utiera
National Manager
Donor Services

Joined NZBS: 1980

The Donor Services function which Olive leads, is responsible for recruiting and retaining new and existing donors and performing all blood collection activities.

A key responsibility for Olive and her team is to provide the strategic direction for the Donor Services function, to incorporate best practice methods and to ensure Donor Service staff receive the training and support required to provide a consistent, high standard, customer driven service. The Professional Development Unit which she also leads, is tasked with supporting the development of nurses and donor technicians in Donor Services. Olive also heads the Māori Staff Advisory Group who provide guidance at various levels within the organisation.

Olive joined the Blood Transfusion Service as a registered nurse over 30 years ago. She has worked in a number of key roles and was an Area Manager prior to moving into her current strategic role. Olive is the organisation's head nurse and represents NZBS on the Nurse Executive New Zealand (NENZ) committee group.

The giving of life – from donors to patients

RECRUITMENT

Donors are invited to donate through a variety of recruitment campaigns including emails, phone calls, mail-outs and face-to-face recruitment.



DONATION

Donors visit a donor centre or blood drive, where NZBS nurses take them through the process of donating whole blood, plasma or platelets.



PROCESSING & TESTING

Every donation is processed and tested for its blood group and screened for specific infectious diseases before being transfused.



BLOOD BANKS & LOGISTICS

Ensure blood and blood products are available and delivered to clinicians for various life-saving treatments.



PLASMAPHERESIS

- 600 – 800mL of plasma only collected, depending on the donor.
- A person who wishes to donate plasma must be aged 18 years or over, meet height and weight criteria, have donated blood at least once in the last two years with good flow and no adverse reactions and can be any blood type.

PLASMA

FRESH FROZEN PLASMA

Stored below -25°C for up to 2 years

CRYOPRECIPITATE

Stored below -25°C for up to 2 years

WHOLE BLOOD

- 470mL of blood is taken from each donor and separated into components.
- A person who wishes to donate must be healthy, be aged between 16 to 65 years of age (but before their 66th birthday) or up to their 71st birthday if they are a regular donor, and be over 50kg.*

PLATELETPHERESIS

- 180 – 400mL of platelets collected, depending on the donor.
- A person who wishes to donate platelets must be aged 18 years or over, meet height and weight criteria, have donated blood at least once in the last two years with good flow and no adverse reactions and be A or O (Rh positive or negative) blood type.*

PLASMA

RED
CELLS

PLATELETS

CSL
BEHRING

Plasma
Fractionator

FRESH
FROZEN
PLASMA

Stored below -25°C for
up to 2 years

RED CELL
COMPONENT

Stored at 4°C for
up to 35 days

PLATELET
COMPONENT

Stored with constant
movement at 22°C for
up to 5 days

Plasma is manufactured into many different products using a process that includes two viral inactivation steps

Frozen and transported to
CSL Behring in Melbourne,
Australia

FRACTIONATED
PLASMA
PRODUCTS

Products stored for
up to 2 years

*Other basic criteria include

- You cannot donate if you have a cold, flu, sore throat, cold sore, stomach bug or any other infection.
- If you have recently had a tattoo or body piercing you cannot donate for 6 months from the date of the procedure.
- If you have visited the dentist for a minor procedure you must wait 24 hours before donating; for major work you must wait a month.
- You must not donate if your lifestyle or behaviour puts you at an increased risk of coming into contact with major blood borne infections such as HIV or hepatitis C infection.
- You must not have lived in the United Kingdom, France or the Republic of Ireland between 1980 and 1996 for a cumulative 6 months or more, or received a blood transfusion in ANY of these countries since 1980.

Eligibility criteria can be subject to change.

More detailed eligibility criteria are available at www.nzblood.co.nz.



TRANSFUSION MEDICINE SUPPORT

NZBS Clinical team provides a 24 hour service supporting hospital staff with all transfusion related issues.

Note: Key collection volumes for 2012/13 are reported in the Statement of Trends on page 28.

The Māori Staff Advisory Group

The Māori Staff Advisory Group (MSAG) was established as part of the New Zealand Blood Service Māori Responsiveness Strategy, with representation from both Māori and non-Māori staff. Their primary goal: - to identify, prioritise, progress and support the implementation of key objectives outlined in the Responsiveness Strategy.

Achievements of objectives to date include:

- Training of front line Donor Recruitment staff in Tikanga Māori
- Training of Donor Recruitment staff and Collection Team Leaders in the Treaty of Waitangi
- Uptake of a number of NZBS staff in the 12 month distant learning Mauri Ora course
- Establishment of relationships with local Iwi
- Inclusion of a Tikanga page on the NZBS website, which also provides reference to two brochures on blood donation that have been translated into Māori
- Increased awareness of Te reo through the promotion of Māori Language Week and the use of name cards, posters and signage
- Increase in the number of Māori donors on the New Zealand Bone Marrow Donor Registry
- Engagement with Māori TV and radio to promote events such as World Blood Donor Day
- Development of a Treaty of Waitangi statement outlining NZBS's commitment and obligations
- A regular editorial from a member of the MSAG in the monthly CEO newsletter 'Contact'
- Acquisition of an interactive electronic tool 'EyeSpeak' to assist staff to learn and pronounce Te reo Māori

What's planned for 2013 – 2014?

- Online Moodle training programs on Tikanga Māori
- Increased profiling of Māori donors
- Updating the website to include Māori elements
- Commencement of Treaty of Waitangi training specifically designed for NZBS staff
- Promotion and roll out of 'EyeSpeak' to assist in Māori pronunciation
- Introduction of local staff committees to support implementation of agreed plans and strategies.



The NZBS Tohu is displayed in the new Epsom Donor Centre.

NZBS partners with Ngāi Tahu Property to build the new Christchurch Blood Centre



NGĀI TAHU Property

In November 2012, New Zealand Blood Service (NZBS) signed an agreement with Ngāi Tahu Property to develop a major new facility at Lester Lane in Addington, Christchurch.

The layout and size of the new Christchurch facility will enable the Blood Service to keep pace with collection and manufacturing demands, technology changes and increasing regulatory expectations. The new centre will include more space for donor beds which are needed to meet the increasing demand for plasma. Manufacturing and testing will also be conducted on site.

NZBS is very pleased with the selection of development partner and future landlord Ngāi Tahu Property for this project. Not only do they bring a wide range of expertise and the ability to deliver a facility that meets current and future needs, but they also have a clearly stated community based purpose beyond just "profit." The added benefit is that the partnership enhances the NZBS profile with Māori.

A Māori blessing of the site was conducted on 5 April 2013, with the commencement of earthworks starting a few days later. The new facility is due to open in early 2015 and will replace the current congested facility in Riccarton.

Dream Chaser Foundation - A Chace Topperwien Charity

On 17 March 2009, a wonderful, loving, cheeky and caring little boy called Chace Eriki Topperwien was born to first-time parents Ryan and Keri. In November Chace came down with symptoms of the flu and developed bruising and red dots. He was referred to the A&E in Waikato where blood tests revealed low platelets and he was initially diagnosed with a possible blood disorder.

Three days before his first birthday, Ryan and Keri found out that a bone marrow aspirate had determined that Chace had a rare strain of Acute Myeloid Leukaemia (AML). He started four cycles of chemotherapy the next day.

Unfortunately the chemotherapy didn't work as the cancer proved too strong, so Chace's only option was a Bone Marrow Transplant. His parents went on a national campaign to try and find a match for Chace, but being of European and Māori (Tuhoe, Ngāti Awa, Ngāti Porou) descent made it difficult to find a bone marrow donor that matched his tissue type.

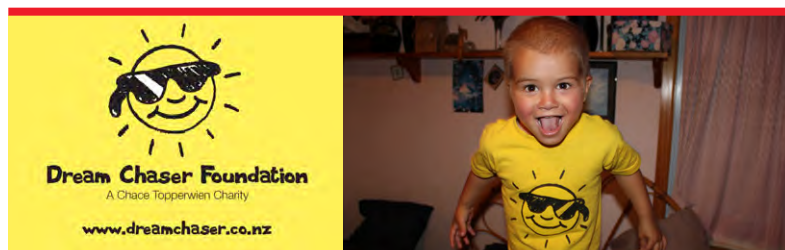
A cord blood was found in Australia which worked for approximately three and a half months but Chace relapsed and on 30 December 2011 Ryan and Keri were told that there were no more options available.

An opportunity for a drug trial in the UK brought some hope to the family but was sadly unsuccessful.

15 June 2012, three year old Chace decided it was time to join the angels.

The Dream Chaser Foundation was established by Ryan and Keri Topperwien in loving memory of their little boy Chace Eriki Topperwien. Their goals are to support children and their families facing childhood cancer and to raise awareness of bone marrow donors.

Find out more about the Foundation and the work they do at: www.dreamchaser.co.nz



During his treatment Chace received 70 platelet units, 24 red cell units, and 9 plasma units.

- 91 Blood Donors have now joined the NZ Bone Marrow Registry as a result of the Foundation
- 8,000 Māori and Pacific Islanders are currently on the NZ Bone Marrow Donor Registry (the only Registry in the world set up for Māori and Pacific Island ethnicities)
- European patients have access to over 15 million donors worldwide
- Only 1 in 3 patients will have a matched family member
- 6 New Zealanders are diagnosed with a type of blood cancer every day
- 26% of red cells go to cancer patients
- The most common childhood cancer is leukaemia



The NZ Bone Marrow Donor Registry (NZBMDR) is part of a worldwide network of registries of people who are willing to donate their bone marrow, if they are found to match a patient in need of a bone marrow transplant.

NZBMDR are currently recruiting the following people to the NZ Registry:

- People with Māori or Pacific Island ancestry
- People with ancestors from other NZ ethnic minorities
- Aged 18 – 40 years and in good health
- People who are able to meet the NZ Blood Service requirements to donate blood

You can join the Registry by donating a unit of blood (470mL) at a New Zealand Blood Service Donor Centre or blood drive. You could be the match that saves a life!

For more information go to: www.bonemarrow.org.nz

Plasmapheresis returns to Tauranga

After many years of collecting just whole blood donations, the option for donors to donate plasma by plasmapheresis returned to the Tauranga Donor Centre on 3 October 2012.



Prior to the creation of New Zealand Blood Service (NZBS), Tauranga used to have a dedicated panel of plasma donors when they were based on the hospital grounds. The plasma service was suspended when NZBS was formed and the service relocated away from the hospital.

When the possibility of plasmapheresis returning to Tauranga was discussed, this created an excited buzz. The Tauranga-based NZBS

team knew that it wouldn't take much to recruit plasma donors as several of the regular whole blood donors often talked about the days when they donated plasma.

Once the 'go live' date was set, the wheels were set in motion. This involved training staff, advertising, implementing the systems and processes required to make the transition and recruiting potential donors.

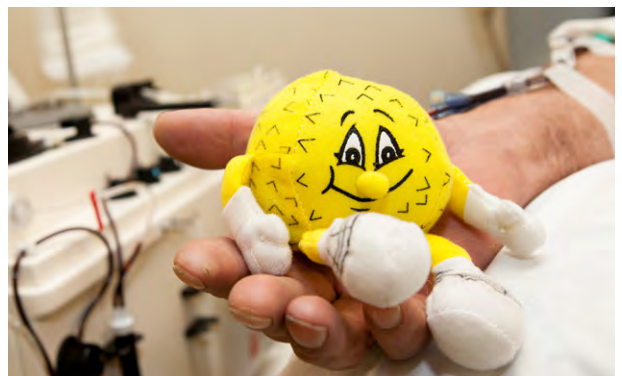
Shirley Frank, a registered nurse and one of the original plasmapheresis nurses from the DHB who moved to NZBS, happily stepped up and became the first Tauranga nurse to be trained. On any given day, happy banter between her and the "old" plasma donors can often be heard.

Two additional nurses were trained in Hamilton and once they achieved the required competency level, they came to Tauranga and are now training more of the local team. Without the help of Waikato staff in collections and recruitment, this process would not have been possible.

Plasma targets began at 10 units per week but progressed very quickly to 20 units and now Tauranga are collecting 25-30 units per week, with the flexibility to increase as the demand for plasma grows.

As the nurses became more knowledgeable in apheresis, the recruitment process sped up to a point that donors are now asking to be put on the plasma panel.

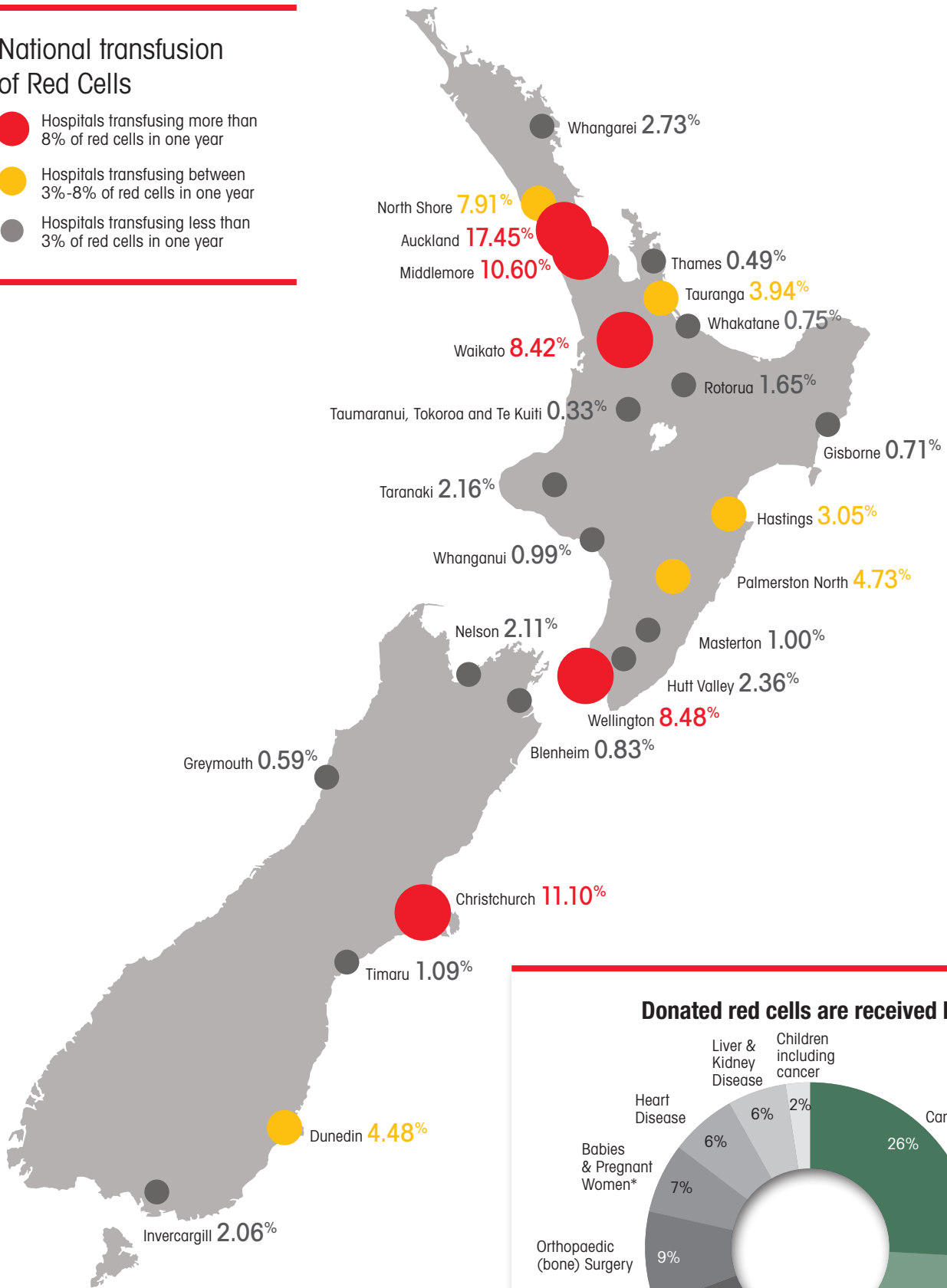
As at July 2013, Tauranga had 121 plasma donors, 19 booked new donors and 89 recruited plasma donors that were waiting for an appointment to become available.



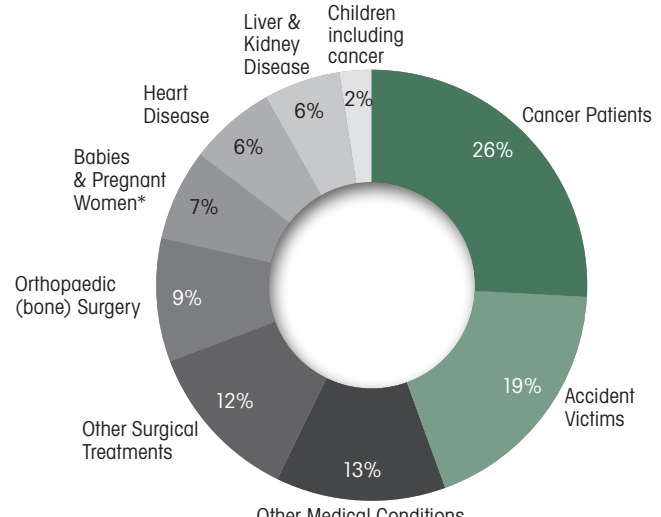
Where and how is blood used?

National transfusion of Red Cells

- Hospitals transfusing more than 8% of red cells in one year
- Hospitals transfusing between 3%-8% of red cells in one year
- Hospitals transfusing less than 3% of red cells in one year



Donated red cells are received by:







*Includes women's surgery (obstetrics and gynaecology)












Blood and blood products and their uses

Blood donations contribute to the existence of many different products, all serving vital roles in helping New Zealanders in need.

Fresh Blood Components

	Red Blood Cells	■ Used for treatment of people with: chronic anaemia resulting from disorders such as kidney failure or cancers; and acute blood loss as a result of trauma or surgery.
	Platelets	■ Used to support patients undergoing treatment for some blood diseases and cancer and also to control bleeding following cardiac surgery and trauma.
	Fresh Frozen Plasma	■ Used to control bleeding in patients following trauma or transplantation.
	Cryoprecipitate	■ Contains blood clotting factors and is used for treatment of trauma patients and during cardiac/transplant surgery.

Products manufactured from Plasma

	Albumex®4	■ Used for patients suffering burns or shock due to blood loss.
	Albumex®20	■ Used in the treatment of liver failure or renal failure associated with severe protein deficiency.
	Rh(D) Immunoglobulin-VF (Anti-D)	■ Used to prevent haemolytic disease of the newborn (HDN) caused by an incompatibility between the blood types of a mother and her baby. Complications of HDN can vary from mild jaundice to serious disability or death.
	Biostate® (Factor VIII)	■ Used for management of haemophilia A, an inherited bleeding disorder requiring life-long treatment.
	MonoFIX®-VF (Factor IX)	■ Used for the treatment of the inherited bleeding disorder haemophilia B (or Christmas disease).
	Prothrombinex™-VF (Factors II, IX & X)	■ Used primarily to reverse the anti-coagulant effect of warfarin in patients who are bleeding.
	Hyperimmune Globulins	■ Provides the recipient with temporary protection against a specific infection e.g. chickenpox, tetanus or hepatitis B.
	Intragam®P	■ An intravenously administered immunoglobulin product used for treatment of people with immune deficiencies or in treatment of a range of diseases where the patient's immune system is compromised.
	Normal Immunoglobulin	■ Used in prevention of hepatitis A in people travelling overseas to high risk areas.

NOTE: Key production volumes for 2012/13 are reported on page 28.



Thank you Graeme Thomas

550 donations and countless lives saved

On Thursday 21 February 2013, Graeme Thomas made his usual fortnightly journey by ferry and train from Devonport to the Donor Centre in Epsom, Auckland. The big difference about this day was that it was Graeme's 550th and final trip to the Donor Centre.

Graeme is unique as his plasma is rich in Anti-D antibodies and, as New Zealand's most prolific donor, he has been donating plasma for over 45 years. From the over 385 litres of plasma he has donated, an estimated 5,000 doses of Anti-D immunoglobulin has been created, a blood product that helps prevent haemolytic disease of the newborn.

After donating a few times at school, at age 27 Graeme responded to a newspaper ad in 1968 calling for male Rh negative blood type donors to join a special donation programme. The programme was to fuel the production of Anti-D injections, an injection developed to help prevent complications during future pregnancies in Rh- mothers of possible Rh+ babies, by increasing Anti-D antibodies in the mother's blood.

As a blood donor, Graeme's constant donations have had a profound impact on many lives. A fond memory from Graeme's early days as a donor was the 10th anniversary celebration of the Anti-D programme, where donors were able to meet a young girl who was one of the first to benefit.

"It was wonderful to see her then, healthy at 10 years old. She has probably become a mother herself by now, maybe even a grandmother," says Graeme.

Graeme's retirement as the donor who has made the most donations in New Zealand was marked with a presentation of a limited edition print by NZBS Board member and Professor of Haematology, Peter Browett.

Graeme was also invited to be guest of honour to open the redeveloped Donor Centre in Epsom in May.

Thank you Graeme for your dedication and commitment. You are a true hero.



🔴🔴🔴 Educating young kiwis for future sustainability

New Zealand Blood Service (NZBS) has a defined strategy to encourage today's youth to become tomorrow's active blood donors.

To support this goal, a number of free downloadable educational resources have been created which are now available from the website www.nzblood.co.nz/education. These resources are aligned with the New Zealand Curriculum for Years 9-13, to teach students about sustainability, blood and the importance of blood donors. They include resource links to over 50 websites, digital texts with teaching notes and graphic organisers.

The educational resources were written by teachers, for teachers and allows students to gain credits towards secondary school qualifications in social sciences and science learning areas.

Through promoting the habit of regular blood donation at an early age, NZBS aims to collectively ensure the sustainability of the donor population and the blood supply for people in need throughout the years to come.



🔴🔴🔴 Our volunteer programme

Introduction of the Volunteer Programme in 2011 enabled New Zealand Blood Service (NZBS) to provide formal processes for inducting and training volunteers. The programme ensures volunteers are adequately prepared to interact with donors and are supported and recognised by Donor Services staff as part of the team.

A better understanding of the number of volunteers who donate their services to NZBS is now also possible with the capture of volunteer details and hours worked, enabling an appreciation of the number of volunteer hours by region.

Volunteers connect NZBS to the communities where we work, as well as providing support to our collection and recruitment staff and assist in enhancing the donor's experience through the service they offer.

Our volunteers play a variety of roles including; assisting in the post donation process of providing refreshments for donors; helping to

make up 'welcome packs' for new donors; distribution of posters for blood drives and for some; supporting and promoting community blood drives and events.

The next stage will involve the introduction of a new volunteer role, the 'Donor Host'. Donor Hosts will be the 'meeters and greeters' who will welcome donors as they arrive at the door, direct them through the pre-donation process and help to put them at ease, making for a positive donation experience. Training will be provided for Donor Hosts and a trial was undertaken at the Hamilton Donor Centre in May 2013.

With 657 registered volunteers nationally, in the past twelve months, these volunteers have gifted more than 6,000 hours of voluntary service. The New Zealand Blood Service values the support and dedication of these volunteers who we consider to be members of the NZBS team and integral to our service.



Partners for Life: Country's newest 'Blood Bank' set to help save hundreds of kiwi lives

12 October 2012 marked the start of a great new relationship between New Zealand Blood Service (NZBS) and Westpac Banking Corporation as part of the *Partners for Life* Programme.

Westpac, the first large corporate organisation to join *Partners for Life* on a national basis, started the partnership off by holding a blood drive at their headquarters in downtown Auckland.

Westpac CEO Peter Clare was the first of the 90 Auckland employees to donate blood on the day and was joined by several members of the Westpac executive management team. Mr Clare said "Westpac has a long history of caring for New Zealanders and our community and this partnership is a real and tangible way for us to keep doing this - by donating blood we can literally save peoples' lives".

As at July 2013, more than 250 Westpac staff from around

New Zealand had donated as part of the programme, with total donations approaching 300.

The *Partners for Life* group donation programme caters for big and small organisations with group coordinators who work with NZBS Donor Recruiters to make a commitment to regularly donate blood as a team. It includes flexible options such as using Donor Shuttles for groups or organising on-site blood drives.

Partners for Life is a programme that will assist NZBS to grow the number of regular donors so that more people are available to donate when needed.

Organisations who want more information about the NZBS *Partners for Life* programme can contact their local NZBS Donor Centre or go to <http://www.nzblood.co.nz/Give-blood/Partners-for-Life>.



Westpac CEO Peter Clare was joined by NZBS CEO Fiona Ritsma to launch the partnership.



NZBS CEO Fiona Ritsma with members of the Westpac senior executive team at the inaugural blood drive.

PARTNERS FOR LIFE

Celebrating the 10th anniversary of World Blood Donor Day



Twin girls Eliza (left) and Gemma visited the Dunedin Donor Centre for World Blood Donor Day with their mother Melissa. Melissa needed regular cryoprecipitate (a product made from plasma) transfusions while she was pregnant with the twins. Over 200 donors contributed towards the safe delivery of the twins.

Every year on 14 June, countries around the world celebrate World Blood Donor Day. The event serves to encourage voluntary non-remunerated blood donations and raise awareness for the need of safe blood and blood products. New Zealand is in the very fortunate position of being self-sufficient, according to the World Health Organisation definition, and World Blood Donor Day this year helped to promote this unique status to the New Zealand public.

Using the theme It's in Our Blood, New Zealand Blood Service (NZBS) said thank you to the thousands of volunteer blood donors in New Zealand who make self-sufficiency possible.

New Zealand is one of very few countries in the world that can meet the needs of its own population for blood and blood products through 100 per cent voluntary, non-remunerated donations from blood donors. This means that everyone in New Zealand has equal access to a safe and certain supply of blood and blood products when they need it most. The ability to meet our own needs for

plasma and plasma-derived products is of particular significance, as it is a key barrier towards self-sufficiency for many countries.

World Blood Donor Day also gave NZBS the opportunity to explain how blood donations are based on blood type, location and timing to match donations to patients' needs to ensure 'every drop counts'. In practice, this means some donors may be asked to donate less often based on their blood type and location. For example, O negative blood donors are needed to donate more frequently because of its use in emergency settings; while others with more uncommon blood types (AB and B donors), while still important, may be required to donate less often.

Overall it was a fun and successful day and a great way to say 'thank you' to donors and celebrate New Zealand's giving nature because it makes access to safe and certain blood supply for all a reality.

Image courtesy of Otago Daily Times.

From blood to bone marrow

When Joseph Heke (Ngāpuhi/Ngāti Hineuru) started dating his girlfriend Melissa (Ngāti Maniapoto) in 2007, it not only led him on a path towards becoming a husband and father, but also put him on a path to saving lives.

Melissa convinced him to become a blood donor early on in their relationship as she had been a regular donor since donating at high school. She had seen the process at a young age whilst going with her Mum to regularly donate blood and knew that when she was old enough that she wanted to save lives in this way as well. After becoming a blood donor, Joseph was approached by the nurses during one of his donations and signed up to join the New Zealand Bone Marrow Donor Registry (NZBMDR) after learning that Māori donors were sought after for the Registry (to find out why refer page 11).

In January 2013 Joseph was at work when he was contacted by NZBMDR. A patient overseas was in need of a bone marrow transplant and his records indicated that he could be a possible match.

“I didn’t think I’d ever be a match for somebody but they asked me to come in so they could get a couple of tubes of blood to test. Then a few days later I got a phone call saying I was a suitable match for the patient and was asked if I would donate my bone marrow.”

Joseph felt no hesitation to agree and Melissa said she had no doubts that if it was needed then he should give, as she was also on the Registry and understood the importance of it.

Joseph was put on a course of a medication called G-CSF to increase the number of stem cells circulating in the blood stream. He was so determined to make sure he was fit and healthy before he donated his bone marrow that he even lost four kilograms by exercising and eating well before his donation date!

On 18 February 2013, Joseph donated his bone marrow at the Epsom Donor Centre through a Peripheral Blood Stem Cell Donation, a similar process to apheresis donations where blood is taken and spun down in a centrifuge, the components needed (stem cells) removed and the rest returned to the donor.

The whole donation took approximately four hours and Joseph had his support crew, in the form of his three children and wife Melissa, join him for the last 40 minutes. He returned to work two days later with only minimal bruising from where the needle was.

Joseph and his wife Melissa firmly believe “If you can donate, give.”, and between them have now saved over 100 lives in New Zealand, along with one person overseas with their generous donations.

The couple have three children who will one day hopefully follow in their parents’ footsteps and become blood donors, as well as join NZBMDR.



Melissa giving her 24th donation on World Blood Donor Day.

“Seeing her mum donate was where it all started for Mel and that’s why we take our kids to see it happen now, so when they grow up, they’ll know it saves lives and it’s not painful and scary.”

NZBMDR still requires donors who have Māori, Pacific Island or any other ethnic minority to join the Registry. For more information go to www.bonemarrow.org.nz or refer page 11.



The Heke family.

Celebrating our staff

Angela Durham - Registered Nurse in Tauranga

I started working for New Zealand Blood Service (NZBS) in 2008 after working as a Registered Nurse in District Health Boards since I graduated. It was a big change for me moving from a public sector hospital, caring for 'unwell' patients, to working for NZBS where people come in well and are happy to have a needle in their arm.

Over the five years I have worked at NZBS, one of the biggest changes for nursing has been the introduction of the Professional Development Recognition Programme. It began with the introduction of a Professional Nurse Advisor (Samantha Heath) who is a fantastic advocate for nurses and strives to see all nurses in NZBS succeed in their profession. The introduction of the software programme Moodle, via the intranet (which can be accessed at work and home) was a real asset for me as it allowed me to work on my portfolio when I had time at home. Completing first a "Competent" and then a "Proficient" portfolio has been very rewarding. This has been a wonderful way to reflect on my nursing practise and to recognise my achievements, as it is often hard when you are working to appreciate the positive things that you do at work every day and put that into words. While completing my portfolio I had an amazing amount of support from my Team Leader and the whole of the NZBS Professional Development team.

This year NZBS has made another large step for nurses with the introduction of Nurse Led Clinics for Therapeutic Venesection. This will improve the care that we provide to our therapeutic patients and is increasing the knowledge and skills of nurses in the organisation. Being involved in this is something that excites me as I have seen the need for nationalising this service for some time. Having an employer

that is proactive in ensuring that not only patients are receiving optimum care, but also that nurses are well supported and given the chance to be recognised for their skills is very satisfying.

Another very big change in our region was the introduction of plasmapheresis in Tauranga. This is a procedure that was carried out in Tauranga over 10 years ago and our donors often asked when it would return. The word plasmapheresis was one that we use but the procedure was not one that I was familiar with. Over the space of six weeks, I travelled to Hamilton several times a week to learn what apheresis was, how the MCS+ apheresis machine works and what the logistics were in providing this service to our Tauranga donors. Again, a new training process was rolled out and it was fantastic to be able to not only learn about apheresis with a very supportive team in Waikato, but to also be part of a really user friendly training process. Over the six weeks in Hamilton I was signed off as competent to operate and care for donors who were giving plasma donations. In October 2012 we went 'live' in Tauranga and began collecting plasma donations and we are continuing to recruit donors to our panel. The enthusiasm and commitment they show to coming in is very humbling.

I consider my job to be one that challenges me as much as I want to be challenged. I believe that there are many opportunities that NZBS offers to nurses. The chance to be part of programmes such as PDRP, nurse led clinics and the launch of apheresis in Tauranga are things that I will always treasure in my nursing career and I look forward to the new challenges that I am sure lie ahead as NZBS continues to grow and develop for nurses.



Angela Durham with plasma donor James Crean.*

*Photo by Zoe Hunter. Provided courtesy of The Weekend Sun, Tauranga Bay of Plenty

Managing blood donor collections to meet hospital demand

Blood has a limited shelf life – Red cells only last 35 days, platelets 5 days, plasma can be frozen for up to 2 years and blood products made from plasma can be stored for up to 2 years.

Because of this and the range of different blood groups, it is important to ensure the collection of blood is managed effectively to ensure supply at all times and also to limit expiry.

Patients who need blood and blood products, need to be confident that it will always be available when they need it, wherever they need it and whenever that may be.

That surety of supply to New Zealand's healthcare community depends on adequate stock levels by blood group being available at all times. Rather than having a set target to collect each week, NZBS matches what is collected to hospital demand.

This approach relies on a suite of reports from our Data Warehouse and Donor Relationship Manager software. These reports tell us what stock we have, products issued to patients over the last 7 days and average issues over the past 3 months, what is coming up for expiry, what has been collected and what activity is booked for the coming period, in order to manage each group within designated stock levels.

Our Collections Coordinator works with the National Manager Logistics to ascertain if stock levels are adequate or if we need to increase or decrease our collection of specific blood groups. Our call centre will then call donors of a specific blood group, or we may work with our Partners for Life business shuttle coordinators to change the timing and number of donors that may attend. Other tools employed include website updates, radio advertising and contacting our fans through our Facebook Page (search "New Zealand Blood Service" to find us on Facebook).

Some donors who would previously have received an invitation to donate or been contacted by phone, now only get contacted when there is a need for their specific blood group. This is to ensure we do not have an over-supply of a particular blood group which is not required.

"Safety is our cornerstone." For New Zealand Blood Service, this is about meeting 100% of demand with the right product 24 hours a day, 7 days a week, every year, and at the same time honouring the special gift that donated blood represents.



Self-sufficiency in blood and blood products - a New Zealand success story

The World Health Organisation (WHO) has long advocated that all countries should put measures in place to ensure they are able to provide sufficient blood and blood products from voluntary and non-remunerated donors in their own country to meet the needs of their population. Surprisingly, very few countries are able to achieve this goal. WHO organised a group of experts in Geneva in September 2011 to help develop guidance on how to achieve this goal. New Zealand was involved in this meeting and was one of very few countries present that was already achieving self-sufficiency. This was acknowledged to be a significant achievement of which all New Zealanders should be proud.

There are a number of reasons why voluntary non-remunerated blood donation and self-sufficiency are important. Blood donation is recognised as an altruistic or benevolent act whereby members of society gift their blood to help others in need. There is overwhelming evidence that paid donation is associated with an increased risk of transmission of blood borne viruses such as HIV and hepatitis C. This is particularly an issue for blood components such as red cell and platelet components. Effective systems are now available to destroy viruses that might be present in more highly processed plasma

products such as Factor VIII concentrate, used to treat people with haemophilia, and immunoglobulin products, used to treat people with reduced capacity to combat infections. This makes the products very safe indeed. Many countries rely on commercial plasma products manufactured from paid donors. In effect plasma then becomes a tradeable commodity with a 'spot price'. Paid plasma collection mainly occurs in the United States and Germany. Internationally, demand for products continues to increase and in the long term it will likely not be feasible for a small number of countries to collect sufficient plasma to meet global needs. Small countries, such as New Zealand, will likely be vulnerable in a competitive plasma product market. Self-sufficiency is a cost effective way to ensure ongoing access to plasma products for those patients who need them. It is also arguably a sign of a healthy and socially aware community that protects those who are less well-off and in need of help.

A copy of the report of the Geneva meeting is available on the WHO website (http://www.who.int/bloodsafety/Expert_Consensus_Statement_Self-Sufficiency.pdf).

eProgesa – a blood management system

On Sunday 12 August 2012, two years of hard work came to a head as New Zealand Blood Service (NZBS) went live with eProgesa, a blood management system supplied by French company MAK-System.

eProgesa is at the heart of NZBS's operations, managing processes from the point where the donor comes to reception, to when the blood is transfused to a patient. Between these points, many critical processes involving the initial blood collection, testing of all donations, manufacture of blood products, logistics and the management of stock, cross-matching and issue of blood in hospital blood banks occurs. Safety is critical at all stages.

Prior to go-live day, NZBS continued to use Progesa, an older version of the system. Changing to the new system was a huge exercise which affected the entire organisation as well as external parties such as hospitals and laboratory companies. Completely new IT infrastructure had to be implemented and extensive testing of every facet of the system was needed. Data had to be migrated from old to new systems, a very complex exercise. Working with Datacom, our technology partner, NZBS was able to go-live on the date that had been planned two years earlier.

During the go-live weekend, there was a planned period when the old system was only available in a limited form. Murphy's Law dictated that Wellington Blood Bank had a major case to deal with at exactly this time – see below.

Thanks to the hard work of the eProgesa project team, NZBS staff (who were all affected in some way by the project) and support and cooperation from our external stakeholders, the system is operating smoothly, giving NZBS a platform for future developments over the next 5-10 years.



The Donor Administration Team register donors using eProgesa when they arrive to donate.

eProgesa MTP

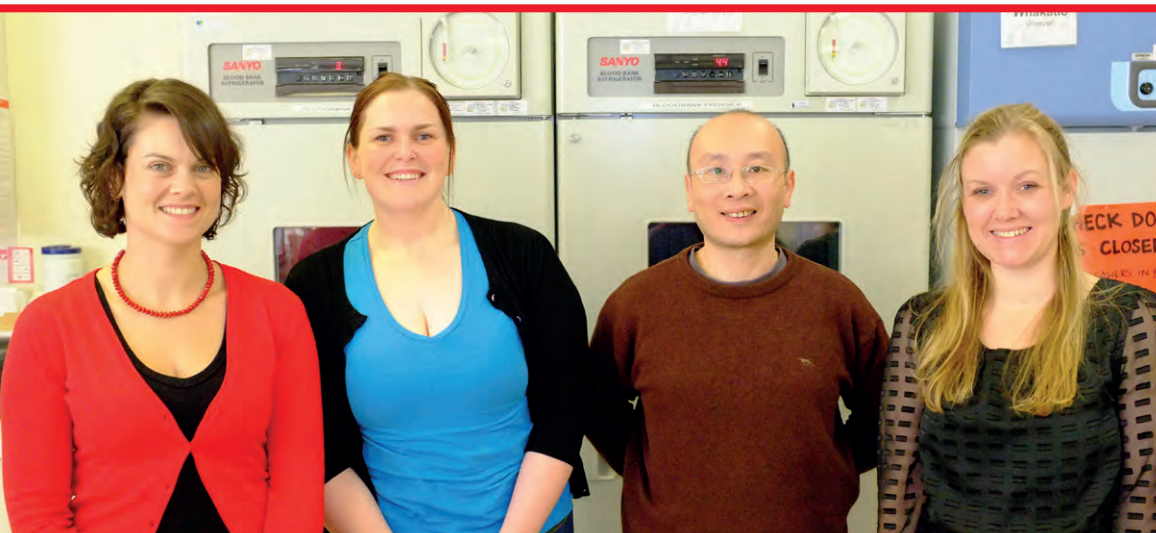
The relative infrequency of serious trauma incidents in the Wellington Region meant the balance of odds was very much in favour of a quiet time during the eProgesa go-live weekend outage.

However at 4am on 11 August, right in the middle of the eProgesa go-live outage, the Wellington Blood Bank received a call that "a serious trauma patient was in need of a lot of blood." Blood was issued as soon as it could be prepared, with two extra staff being called in to manage demand and resupply for the staff already on site.

A total of 116 units of red cells, plasma and platelets were issued for this patient, with Blood Bank involvement lasting 12 hours.

Each and every unit that went out the door was recorded by hand for retrospective data entry, multiplying the time required to issue products had eProgesa been available.

Through planning and practising pre-outage scenarios, and with some very hard work, the team succeeded in maintaining services to the rest of the hospital while keeping up with demand for those 116 units. An impressive feat in itself, but perhaps more impressive was the fact that every single unit was accurately accounted for at the end of the weekend, without error. Unfortunately the outcome for the patient was not ultimately positive but the Wellington Blood Bank team could not have performed better.



Left to right:
Wellington Blood Bank Medical Laboratory Scientists Clare Ryan, Abby Clayton, Xiyang Pan and Ellen Jones were some of the team who helped ensure blood needs were met during the eProgesa go-live weekend.

🔴🔴🔴 Blood donation app and our mobile-friendly website

With approximately 16,000 visitors to the NZBS website via a mobile device over a 12 month period and 100% penetration of mobile handsets in the New Zealand market, communicating with donors through mobile devices has become more important to encourage appointments, particularly within the next generation of donors.



The NZ Blood Donors mobile phone app was launched in 2012 and is available for the iPhone, iPad and Android phones. The app enables donors to:

- Search for a donor centre or mobile blood drive
- Schedule an appointment
- Reschedule or cancel an appointment
- Register as a new donor
- Change their password
- View and modify their profile
- View appointment and donation history

In addition to the mobile app, a mobile friendly website is now available which serves up an optimised content version for mobile devices which can be accessed through a QR code used on some NZBS advertisements. The mobile website also features a “click to call” 0800 number at the bottom of each page and the option to “go to full website” to enable them to access full content if they wish.

🔴🔴🔴 Future proofing our facilities

During 2012 – 2013 there has been considerable activity undertaken to ensure that NZBS facilities will meet the future requirements for delivery of our services. Over recent years there has been an increasing recognition that both the Auckland and Christchurch collection and manufacturing hub-sites have exceeded operational capacity and that this needed to be addressed to future proof ongoing service delivery.

The ability to adequately expand or renovate the current Riccarton Road facility in Christchurch was determined not to be an option, which necessitated identification of an alternative site. An extensive review of options led to the selection of a vacant site in Lester Lane, Addington owned by Ngāi Tahu Property and the subsequent establishment of an Agreement to Construct and Lease between NZBS and Ngāi Tahu. This followed the successful Public Private Partnership model established in 2000 for the NZBS Auckland facility.

The Christchurch project has progressed rapidly with design of a purpose built facility determined, Hawkins South Island appointed as the main contractor and site works well underway. The new facility has been designed to ensure operational capacity will be met well into the future while remaining sufficiently flexible to accommodate likely changes in technology. The new facility is scheduled to be open by the beginning of 2015.

NZBS established its current Auckland facility in 2000 using the Construct and Lease approach with the Dilworth School Trust. Since that time, operations have expanded in volume and complexity, with space now becoming a constraint. The contingency planned at the time of developing the current building to make additional operational space available by relocation of the National Office when required has now become a reality. In mid 2012 the National Office relocated to premises at 11 Great South Road freeing up space to commence a redevelopment of the Auckland hub-site.

The redevelopment plan for Auckland will progressively upgrade and improve space allocations, facilitated initially by the vacated National Office space and subsequently by an addition to the ground floor and basement. The first stage of this redevelopment commenced in February 2013 and focused on the Donor Services operation. This stage was completed by the end of May 2013. The facilities deliver increased collection capacity with a modernised interior design to enhance the donor experience and staff work environment. Redevelopment of the rest of the facility will be progressively completed over the next two years. NZBS will gain occupancy of the second level by 2018 which will allow for the return of the National Office.

The next two years promise to deliver facilities which will ensure NZBS is adequately positioned well into the future.



The Epsom Donor Centre interior designed to enhance the donor experience.

Being a good employer

GOOD EMPLOYER ELEMENTS OF NZBS ACTIVITY IN 2012/2013

New Zealand Blood Service (NZBS) remains committed to being an employer of choice. Ensuring we have a sustainable, competent and engaged workforce is vital to ensuring we achieve our core purpose.

A number of activities promoting the seven elements of the 'Good Employer' framework were undertaken during the 2012/13 year, illustrated in the following pages. These progressively build on strategies from prior years to ensure we continue to meet our multifaceted obligations to all stakeholders including our employees, donors, patients and the wider healthcare sector.

Flexibility and change is a key focus as we all rise to the challenge of scrutinising our business in response to changing product demands and shift in collection and manufacturing volumes. This is resulting in a range of initiatives to ensure sustainability and greater efficiency in this changing and dynamic environment.

'SAFETY IS OUR CORNERSTONE'

During 2012/13 NZBS has continued to build on the work commenced in 2011 to review the Health & Safety Management Systems to ensure that elements are fit-for-purpose and representative of best practice. There has been a reformation of the health and safety culture, emphasising our cornerstone value of safety in our workplace alongside the ongoing commitment to product safety.

LEADERSHIP, ACCOUNTABILITY AND CULTURE

- NZBS remains committed to its defined 'Good Employer Policy' providing a clear statement on how we provide and support an environment where employees feel valued and respected, including a commitment to established policies which guide the organisation to treat employees fairly and properly in all aspects of their employment. The NZBS Shared Values guide our behaviour as an organisation and are incorporated in core HR policies, job descriptions, induction processes and the performance review framework.
- The NZBS leadership program continues to be provided to new frontline and support leaders.
- NZBS is proud to have successfully implemented the major upgrade to the sector wide IT blood management system, seeing the on target completion of the eProgesa project in August 2012. Several employees seconded to this project, have moved into different roles as a result of their career and skill development aided by this project experience.
- The NZBS Board and senior management have supported a focus over the past 12 months on the continued development of a positive workplace culture in which health and safety is part of everyday business. All leaders have engaged in Health and Safety (H&S) leadership development including emergency management and CIMS training.
- Quarterly reports to the Board include progress against key H&S performance indices relating to H&S projects, internal audits, systems reviews, incidents and ACC benchmarking data/trends.
- Staff are encouraged to contribute to the continuous improvement of NZBS H&S systems by raising issues, generating ideas and participating in the H&S policy reviews through their H&S representatives and via the mechanism of regional and national H&S Committees.

- A programme of six monthly internal H&S audits of all NZBS sites has been established. The findings from the audits provide feedback on H&S performance at NZBS department level and allow for future planning as part of the annual H&S system planning and review process.
- A staff forum to identify possible 'Cost Savings' has arrived at \$115,000 in ongoing annual savings.
- The NZBS Māori Staff Advisory Group have this year achieved the launch of a Te Reo eLearning programme "EyeSpeak".

RECRUITMENT, SELECTION AND INDUCTION

- NZBS continues to work collaboratively with District Health Board (DHB) colleagues on the Kiwi Health Jobs website and associated recruitment initiatives demonstrating an impressive increase in the profile and usage of this sector job board.
- Refreshment of NZBS recruitment career website is near completion. Prospective employees will be shown role specific videos outlining key professions and provided with information allowing us to target and recruit those people we wish to work in our changing organisation.
- NZBS recruitment and selection policies and systems are also being refreshed to ensure best practice, impartial and transparent employment processes are in place.
- A new Graduate Nurses Programme in collaboration with Waikato DHB has been successfully piloted.
- NZBS has developed and implemented a robust Contractor H&S Management process in recognition of its responsibility as a 'principal' to establish clear and appropriate standards of H&S performance of contractors working on NZBS sites. These standards include the following processes:
 - An assessment of the Contractor's H&S systems.
 - Contractor inductions to NZBS H&S systems and NZBS sites.
 - Regular monitoring and review of contractor H&S performance on NZBS sites.
- Introduction of a secondary schools educational resource in the past year related to blood and blood donation, is projected to also have the potential benefit of raising the profile of NZBS, both for the next generation of blood donors and as a future career choice for students.



EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT

- The NZBS Professional Development & Recognition Programme (PDRP) framework for Nursing and Registered Donor Technicians is now being assessed for endorsement by the New Zealand Nursing Council.



- In collaboration with the University of Auckland, a training programme has been rolled out to select Registered Nurses who will supervise nurse led clinics for people requiring therapeutic venesection.
- A training programme has been developed and is being piloted to train Registered Donor Technicians in apheresis blood collection procedures, enhancing skill sets.
- The NZBS run 'Workforce Trainer Programme' continues to operate with refresher training now in development to ensure up to date skills for the team of 'on the job trainers' who are critical to maintaining competency development in our nursing and laboratory workforces.
- Ongoing review of process and forms to make performance planning meaningful and effective for all.
- Further development of eLearning software provides accessible and cost-effective staff training. A new eLearning training programme for managing manual handling hazards, called 'MoveSafe', is about to be launched across the organisation.
- NZBS staff scholarships continue to be judged and awarded annually, with recipients utilising the awards to visit and study in international blood services and laboratories and to attend conferences.
- Progressive implementation of an Electronic Training Records System across Technical Services is well underway.
- Staff are encouraged to apply for secondments within NZBS providing developmental opportunities, project and change management experience.

FLEXIBILITY AND WORK DESIGN

- NZBS is progressing the development of a new Blood Centre in Christchurch to address space pressures and provide for technology changes and workflow design in line with anticipated future manufacturing and regulatory requirements. In parallel with this the Auckland Blood Centre is being redeveloped for similar reasons. This is providing a focus to incorporate 'lean design' to ensure optimisation of space and workflow.
- NZBS has systems and processes in place to support staff requiring rehabilitation associated with illness or injury.
- Workstation assessments are being conducted following all reports of early pain and/or discomfort. The new 'MoveSafe' eLearning program will also provide tools and guidance on workstation setup and practices to ensure prevention of pain and discomfort.

- Several worksite assessments have been undertaken as part of NZBS's commitment to providing a supportive Return to Work programme as part of individual staff rehabilitation following injury or illness.
- Introduction of new TRIMA technology from TerumoBCT has now enabled three doses of platelets to be collected from our plateletpheresis donors, for better efficiency.
- In October 2012, Tauranga became the seventh plasmapheresis collection site providing an additional centre for donors to donate plasma, and further developing the skills set of staff at the centre.
- The implementation of MacoPress to replace Compomat equipment that has reached the end of its economic life has enhanced efficiency and is ergonomically designed to reduce the risk of repetitive strain injury.
- Service to donors has been enhanced with the introduction of a centralised Donor and Product Safety (DAPS) service, pooling resources and establishing a small team of nurses based in Auckland. Previously this was decentralised.
- Change in work hours at some of our sites will better enable weekend processing of platelets, crucial for reducing expiry of this short-life product.
- The processing laboratory in Auckland has been restructured allowing implementation of a new national components development laboratory to facilitate an enhanced focus on components development in response to changing scientific developments and complex procedures.

REMUNERATION, RECOGNITION AND CONDITIONS

- NZBS adheres to the government's clearly stated expectations on pay and employment conditions in the State Sector. We also collaborate with the DHB employment relations forums on matters of mutual interest, given our connection with the wider public health sector.
- The NZBS recognition framework continues to provide a focus to ensure consistent and appropriate recognition of staff achievements and service. The framework utilises three levels of recognition; "in the moment", regional and two annual national awards.
- The Life Blood Award for 2012 was presented to Paul Clark of the National Information Systems team for his work adapting the current Product Labelling Database to allow it to produce compatibility labels for blood components that could be used during a computer outage. The rationale for this initiative was that a computer generated label would be easier to read for hospital ward staff and would prevent transcription errors.



Paul Clark receiving his Life Blood Award from CEO, Fiona Ritsma.

- The Sir John Staveley Scholarship was presented to Lorna Wall, Team Leader Reference Laboratory, to allow her to visit the International Blood Group Reference Laboratory Genotyping Services (IBGRL) at National Health Service Blood and Transplant's (NHSBT) Filton facility in Bristol, England to further her knowledge in identifying the foetal blood group (e.g. Rh D) status from a maternal sample without risk to the foetus. Implementation of foetal Rh D genotyping is a Priority 2 project in the current NZBS Annual Plan. Insights gained from this visit will pave the way to validating the same methodology used at Filton within NZBS and allow a better understanding of operational workflows and application of results to increase efficiency in the NZBS National Reference Laboratory.
- As part of a 'no-cost' employee benefit scheme, we continue to offer 'Work Perks' in collaboration with Waitemata and Counties Manukau DHBs. This provides staff with direct access to a range of discounts offered by retailers and providers and has been gratefully received by our staff.
- Centralisation and co-ordination of internal NZBS scholarships for external study continues.
- A major upgrade of the NZBS Payroll system has been completed.

HARASSMENT AND BULLYING PREVENTION

- NZBS has a robust policy and system for preventing and managing harassment and bullying. The programme includes a specific policy, induction processes for all new staff, a workshop for leaders on prevention and management of harassment and bullying, and a staff booklet 'Working Effectively Together'. The booklet blends our expectations related to NZBS values, behaviours and the State Services Commission's "Standards of Integrity & Conduct." It also informs staff of the informal and formal steps and processes that can be taken if bullying or harassment is evidenced.
- In addition, NZBS provides a confidential EAP (Employee Assistance Programme) available 24 hours a day, accessible to all staff.
- The 'Working Together Effectively' booklet is being updated and reprinted and will be re-launched to staff in the next six months, providing an opportunity for a refocus on harassment and bullying prevention for all currently employed staff.
- Induction of all new employees includes an overview of this important policy together with a clear outline of behavioural expectations in line with the NZBS Shared Values. This is provided both in our National Orientation Programme and also in the individual targeted staff induction supported by the direct manager and human resources team.

SAFE AND HEALTHY ENVIRONMENT

- Over the past 12 months there has been a focus on a range of initiatives to support the safety and health of our employees and to ensure we continue to meet our obligations to all who visit and interact with our organisation in any capacity.
- Some of these initiatives include:
 - The cyclic review and updating of the NZBS Hazard and Hazardous Substances Registers.
 - A full review and updating of the NZBS H&S Policy Manual.
 - Review of the NZBS Emergency Plan and procurement of equipment and foodstuffs to increase NZBS's capacity and resilience during an emergency event or civil disaster situation.

- Implementation of an improved contractor H&S management process.
- The appointment and training of workplace first aiders for all NZBS sites.
- Review of the NZBS Blood and Body Fluid Exposure Management process.
- Development of a robust manual handling eLearning programme that includes the setting up of a safe workstation.
- Continued training of H&S Representatives to level 2 during the year.
- All new managers to NZBS have attended 'Foundations for Safety Leadership' training.
- Continuation of the NZBS Wellbeing Programme, including provision of regular messages focused on 'wellness, health and safety', participation in fitness activities (such as "Round the Bays", "Relay for Life" and "Corporate Sky Tower Step Challenge"), and participation in a nutrition fitness programme "Power of 3".



The NZBS Corporate Sky Tower Challenge team for 2013.

- The annual free Influenza Vaccination Programme has seen an enhanced uptake this year to 52% of all staff.
- Continuation of the pre-employment hepatitis B screening and immunisation programme.

LOOKING FORWARD

In the next 12 months NZBS has prioritised the following areas for further action.

- Continuation of a range of crucial initiatives to ensure flexibility, financial and operational sustainability and responsiveness to changing supply demands. As a demand driven organisation this includes ongoing review of collection, manufacturing activities, staff numbers, facilities and infrastructure.
- Advancement of facility development projects in Christchurch; and the laboratory and logistics areas of Auckland Donor Centre.
- Entry into the ACC Workplace Safety Management Practice programme through an externally conducted H&S Systems audit in August 2013.



NZBS WORKFORCE PROFILE

The following represents a snapshot of the workforce profile.

The data presented is based on data collected from staff surveyed in 2011 and who are still employed. This is combined with the data collected from new employees at the time of commencing employment with NZBS. This information informs initiatives related to workforce planning.

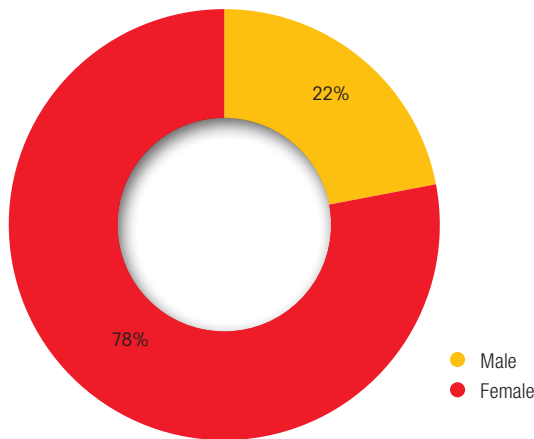
This report presents a snapshot of the workforce profile of NZBS employees who are actively employed as at May 2013.

- 579 staff were employed by NZBS, this is equivalent to 468 Full-Time Equivalents (FTEs) including casuals. Of the total FTE, 94% of the staff were employed on an ongoing basis, 4% as casuals and 2% on fixed term.
- Females accounted for 78% of the staff, while 22% are male.

- The average age at NZBS is 46 years. The highest proportion of staff are in the 45-54 age group (31%) followed by staff aged 55 – 64 (24%), staff aged 35-44 (20%), and staff aged 25-34 (18%). Staff in the group aged under 25 and the 65 and over group both make up 3% of the workforce respectively.
- The profile of our workforce illustrates the multicultural ethnicities of our employees.
- 19 staff (3% of staff) indicated that they have some type of disability.
- Average length of service for the combined Technical Services Group is 9 years while for the combined Donor Services Group it is 7 years.
- Turnover for the 2012/13 year was 9.8%. This compares to 8.3% in the prior year 2011/12.

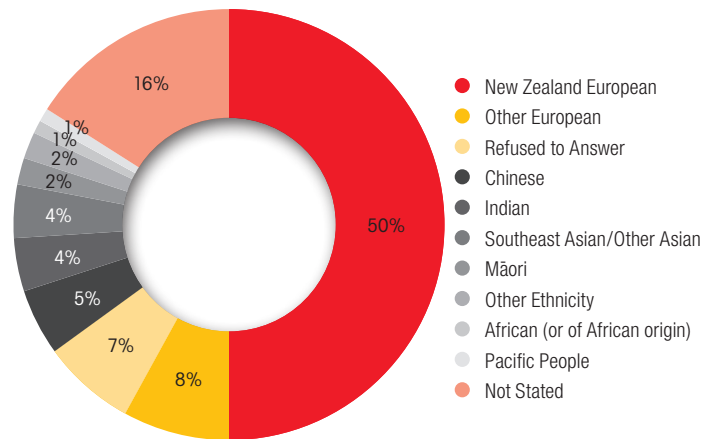
GENDER DISTRIBUTION – TOTAL ORGANISATION

The gender distribution of our workforce is illustrated below



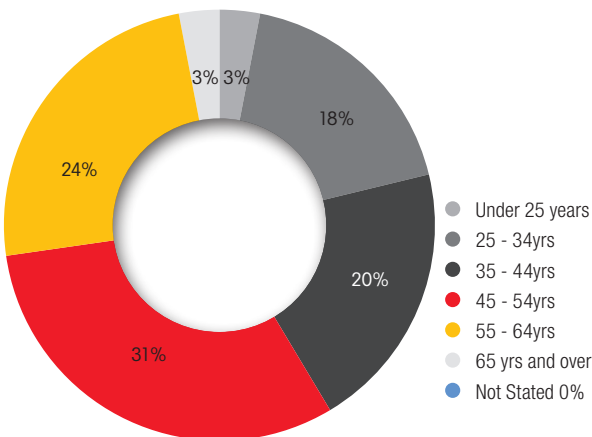
ETHNICITY – TOTAL ORGANISATION

The ethnic mix of our workforce is illustrated below.



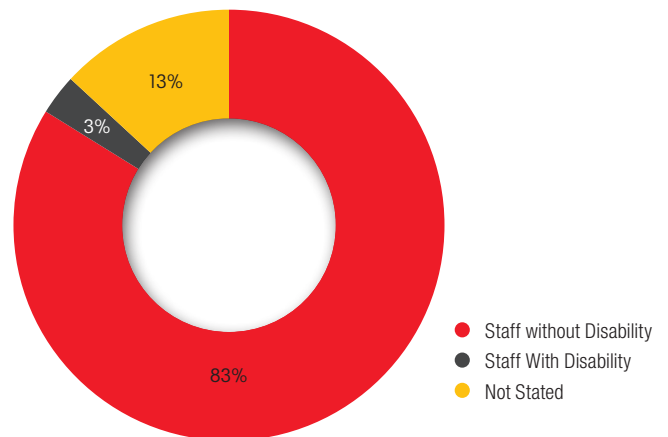
AGE DISTRIBUTION – TOTAL ORGANISATION

The age distribution of our workforce is illustrated below.



DISABILITY – TOTAL ORGANISATION

The staff disability profile is illustrated below.





Statement of trends - Actual outcomes and forward outlook

Commencing 1 July 2008 through to 30 June 2016

KEY INDICATORS	ACTUAL OUTCOMES					FORWARD OUTLOOK		
	2008/09 Year	2009/10 Year	2010/11 Year	2011/12 Year	2012/13 Year	2013/14 Year	2014/15 Year	2015/16 Year
COLLECTIONS & PRODUCTION VOLUMES								
Donor Population - Active Donors at 30 June each year	130,732	128,337	128,412	126,041	121,167	115,490	114,115	115,213
- Active donors as a % of the total population	3.03%	2.94%	2.91%	2.84%	2.71%	2.57%	2.52%	2.53%
Collection Volumes								
- Donation collection volumes	179,841	171,467	180,655	181,822	169,527	168,800	166,900	171,800
- Donor to donation ratio - donation times per donor	1.38	1.34	1.41	1.44	1.40	1.46	1.46	1.49
Production Volumes								
- Production red cells - units	141,519	141,347	138,093	132,152	120,683	124,800	124,200	124,550
- Production platelets - adult doses	19,061	19,392	20,981	22,337	22,266	19,271	18,968	19,450
- Production plasma - units	20,211	20,889	19,890	20,621	19,767	18,410	18,700	18,900
- Production - cryoprecipitate - units	2,725	3,120	3,358	4,632	4,413	4,150	4,250	4,325
- Production plasma issued for fractionation - kgs	49,942	44,612	49,546	54,308	52,941	52,961	52,907	56,051
TOP 5 PRODUCT & SERVICE DEMAND VOLUMES								
Top 5 Blood Products								
- Red cells resuspended - leucodepleted - units	126,776	128,559	124,361	119,959	112,830	117,460	118,063	118,566
- Intragam P - 12gm eq vials	19,329	20,199	21,648	22,975	22,148	23,450	24,400	25,375
- Platelet apheresis - leucodepleted - adult doses	8,401	8,238	8,205	8,664	7,750	7,113	7,197	7,444
- Platelet pool - leucodepleted - adult doses	5,712	5,620	5,595	5,801	6,003	7,078	7,619	7,870
- Plasma fresh frozen apheresis - leucodepleted - units	21,223	20,612	18,568	19,487	17,024	17,291	17,591	17,791
- Revenue derived from top 5 blood products (\$000's)	65,030	68,240	69,411	70,808	68,920	72,077	74,908	77,234
- % of top 5 blood product revenues to total reported revenues	68.02%	68.68%	67.86%	67.12%	65.71%	65.72%	65.84%	65.81%
Top 5 Services								
- Patient antibody screens	140,249	142,770	142,399	143,327	144,267	147,900	149,379	150,873
- Patient blood groupings	144,284	146,611	146,644	147,491	148,382	149,505	151,011	152,517
- Tissue typing associated with transplant patients / donors	6,309	6,949	7,230	6,532	6,543	6,888	7,140	7,388
- Patient compatibility testing	115,798	129,236	127,265	123,563	114,418	114,350	114,635	114,920
- Antibody screens for patients awaiting organ transplants	6,843	6,655	7,260	7,444	7,941	8,027	8,168	8,318
- Revenue derived from top 5 services (\$000's)	10,422	11,157	11,484	11,549	11,780	12,702	13,137	13,482
- % of top 5 services revenues to total reported revenues	10.90%	11.23%	11.23%	10.95%	11.23%	11.58%	11.55%	11.49%
NZBS PRICING AGAINST SECTOR BENCHMARKS - Base June 2007								
- Compound health sector CCP % movement	6.50%	9.82%	11.69%	13.61%	15.30%	16.33%	17.36%	18.41%
- Compound all groups CPI % movement	5.98%	7.75%	13.43%	14.51%	15.29%	17.55%	19.90%	22.55%
- Compound NZBS price % movement (net any rebate paid)	3.99%	5.03%	6.81%	7.51%	10.20%	12.35%	14.03%	15.05%
NZBS Compound Price Movement differential compared to:								
- <i>Sector contribution to cost pressure (CCP) index movement %</i>	<i>(2.51%)</i>	<i>(4.79%)</i>	<i>(4.87%)</i>	<i>(6.10%)</i>	<i>(5.10%)</i>	<i>(3.98%)</i>	<i>(3.33%)</i>	<i>(3.36%)</i>
- <i>Consumer price index (CPI) index movement %</i>	<i>(1.99%)</i>	<i>(2.72%)</i>	<i>(6.62%)</i>	<i>(7.00%)</i>	<i>(5.09%)</i>	<i>(5.20%)</i>	<i>(5.87%)</i>	<i>(7.50%)</i>
FINANCIAL OPERATING PERFORMANCE								
- Total blood product revenue	79,605	81,419	83,482	85,982	84,668	88,890	92,023	94,877
- Total services revenue	14,511	16,443	16,903	17,334	17,921	19,442	20,094	20,617
- Overseas revenue	1,228	1,187	1,404	1,662	1,315	1,131	1,392	1,418
- Other revenue (including interest earned)	262	310	493	523	986	202	270	450
- Total revenues - pre any DHB distributions (\$000's)	95,606	99,359	102,282	105,501	104,890	109,665	113,780	117,361
- Revenue growth %	4.46%	3.93%	2.94%	3.15%	(0.58%)	7.22%	3.75%	3.15%
- Full time equivalent employees - FTE's	464.56	457.75	476.30	490.31	490.25	513.93	499.75	499.75
- Revenue per full time equivalent employee (\$000's)	205.80	217.06	214.74	215.17	213.95	213.38	227.67	234.84
- Pre DHB distribution surplus / (deficit)(\$000's)	5,708	3,587	9,252	3,447	(2,105)	(1,220)	(120)	510
- Distribution of surpluses to DHBs (\$000's)	2,400	2,000	-	-	-	-	-	-
- Reported surplus / (deficit) post DHB distributions (\$000's)	3,308	1,587	9,252	3,447	(2,105)	(1,220)	(120)	510
FINANCIAL POSITION (\$000's)								
- Total equity	24,066	25,653	34,905	38,352	36,247	34,182	34,062	34,572
- Total non-current borrowings	4,480	4,276	4,057	3,822	4,495	4,155	4,967	4,801
- Total assets	46,389	44,384	53,512	57,959	59,082	58,610	60,213	61,249
- Working capital	20,245	22,537	29,861	30,297	28,788	25,106	24,330	24,864
- Inventory stock turn (times per annum)	4.05	5.98	4.43	4.27	3.98	3.97	4.42	4.59
- Receivables - days sales outstanding (days)	38.21	38.23	36.31	36.65	32.44	34.63	34.58	34.59
DEBT / EQUITY GEARING								
- Equity ratio - %	84.31%	85.71%	89.59%	90.94%	88.97%	89.16%	87.27%	87.81%
- Debt ratio - %	15.69%	14.29%	10.41%	9.06%	11.03%	10.84%	12.73%	12.19%
CASH FLOWS (\$000's)								
- Cash flow derived from operating activities	6,686	6,758	7,222	5,732	3,534	2,923	6,663	5,030
- Investing activities - investments & capital expenditure	(3,507)	(2,474)	(5,021)	(6,348)	(5,725)	(3,952)	(5,987)	(4,112)
- Financing related activities - borrowing & debt repayment	(178)	(191)	(204)	(219)	753	(322)	620	(153)
- Cash movement in the financial year - (xxx) = cash reduction	3,001	4,093	1,997	(835)	(1,437)	(1,351)	1,296	765
- Cash position at balance date (\$000's)	4,751	8,844	10,841	10,006	8,569	6,673	7,969	8,734
BANKING COVENANTS								
- Adjusted tangible assets (TTA) (\$000's)	45,783	43,216	50,996	52,769	53,204	52,266	54,056	55,570
- Calculated bank equity - (TTA - total liabilities) (\$000's)	23,460	24,579	32,389	33,162	30,369	27,838	27,904	28,893
- Equity ratio - requirement of a minimum 30% of adjusted TTA	51.24%	56.87%	63.51%	62.84%	57.08%	53.26%	51.62%	51.99%
- Surplus before interest, depn. & DHB distributions (EBITDA)(\$000's)	9,277	7,003	12,589	6,845	1,968	3,112	4,398	4,898
- Interest cover ratio -minimum 1 times cover of EBITDA	25.70	26.63	60.90	37.57	11.90	13.02	15.43	15.02

FINANCIAL STATEMENTS

for the year ended 30 June 2013

- **Statutory Disclosures**
- **Statement of Comprehensive Income**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Notes To The Financial Statements**
- **Statement of Service Performance**
- **Statement of Responsibility**
- **Independent Auditor's Report**

**New Zealand Blood Service
Statutory Disclosures
For the year ended 30 June 2013**



Your Board Members take pleasure in presenting their Annual Report together with the Financial Statements of the New Zealand Blood Service for the year ended 30 June 2013. The presented financial statements are also published on the New Zealand Blood Service website - www.nzblood.co.nz.

Principal Activity

The New Zealand Blood Service (NZBS) was established in 1998 to ensure the supply of safe blood and blood products to the New Zealand health sector and has responsibility for all aspects of the transfusion process in New Zealand; from the collection of blood from volunteer donors to the transfusion of blood components and products to recipients; a 'vein to vein' transfusion service.

Financial Performance

The Board of the New Zealand Blood Service set the financial targets for the entity at the beginning of the 2012/13 financial year and continuously monitored actual performance against these targets during the course of the year.

Key financial performance indicators for the 2012/13 financial year are set out below

Financial Indicators	Actual	Budget	Last Year
Gross Revenue (\$000's)	104,890	111,172	105,501
Reported Surplus / (Deficit) (\$000's)	(2,105)	(2,170)	3,447
Total Expenses (\$000's)	106,995	113,342	102,054
Capital charge (8% on equity) paid to Crown (\$000's)	3,003	2,885	3,068
Total Assets (\$000's)	59,082	55,537	57,959
Equity plus Non Current Borrowings (\$000's)	40,742	39,645	42,174
Equity Ratio %	88.97%	90.99%	90.94%
Debt Ratio % (based on non current external borrowings)	11.03%	9.01%	9.06%
Banking Ratio - times EBITDA (minimum 1 times)	11.90	10.27	37.58
Banking Ratio - Bank defined Equity to Total Tangible Assets (minimum 30%)	57.08%	60.23%	62.84%

Auditor

Audit New Zealand on behalf of the Auditor-General is appointed in accordance with Section 15 of the Public Audit Act 2001 and Section 43 of the New Zealand Public Health and Disability Act 2000. Remuneration of the auditor was as follows:

Description	Audit Year	30 June 2013	30 June 2012
Audit fees for financial statement audit	2013	98,750	-
Audit fees for financial statement audit	2012	-	98,750

Board Members

All Board Members are appointed by the Crown.

Remuneration of Board Members

The following Board Members held office during the period under review and were paid fees accordingly:

Board Members' Remuneration			30 June 2013	30 June 2012
Mr David Chamberlain	Chairman	Appointed 1 October 2009	32,000	30,064
Mr David Wright	Deputy Chairman	Appointed 15 August 2008	20,000	20,000
Professor Peter Browett		Appointed 1 October 2009	16,000	16,000
Ms Raewyn Idoine		Appointed 1 October 2012	12,000	-
Mrs Pamela Jefferies		Retired 30 September 2012	4,000	16,000
Mrs Tania Kingi		Appointed 15 August 2008	16,000	16,000
Mr Ian Ward		Appointed 19 August 2011	16,000	13,893
Total Board Members' remuneration			116,000	111,957

Subsequent to balance date Mrs Tania Kingi tendered her resignation from the Board, effective 7 July 2013.

Board Members' Interests - Related Party Transactions

Current Year

The following entries were made in the NZBS Interests Register with regard to the Board Members:

Board Member	Entity	Position	NZBS Appointed
Professor Peter Browett	Leukaemia & Blood Cancer New Zealand	Board Member effective 27 April 2005	Appointed 1 October 2009

The Leukaemia and Blood Cancer New Zealand entity operates the New Zealand Bone Marrow Donor Registry.

Related Party Transactions and Balances with the New Zealand Bone Marrow Registry	30 June 2013 \$000	30 June 2011 \$000
Supply of Products and Services by NZBS to NZ Bone Marrow Donor Registry	388	366
Purchase of Services by NZBS from NZ Bone Marrow Donor Registry	-	-
Outstanding Balances from NZ Bone Marrow Donor Registry to NZBS	30	80
Outstanding Balances to NZ Bone Marrow Donor Registry from NZBS	-	-

**New Zealand Blood Service
Statutory Disclosures
For the year ended 30 June 2013**



Board Members' Interests - Related Party Transactions *continued*

Board Member	Entity	Position	NZBS Appointed
Mr Ian Ward	Auckland District Health Board	Board Member effective 13 December 2010	Appointed 19 August 2011

Related Party Transactions and Balances with the Auckland District Health Board	30 June 2013 \$000	30 June 2012 \$000
Supply of Products and Services by NZBS to Auckland District Health Board	25,195	25,376
Purchase of Services by NZBS from Auckland District Health Board	336	424
Outstanding Balances from Auckland District Health Board to NZBS	2,050	2,737
Outstanding Balances to Auckland District Health Board from NZBS	32	54

Board Members' Interests

No Board Member of the entity has received or become entitled to receive a benefit other than a benefit included in the total remuneration received or due and receivable by Board Members shown in Remuneration of Board Members.

Statement of Use of Entity Information

There were no notices from Board Members of the entity requesting to use entity information received in their capacity as Board Members which would not otherwise have been available to them.

Donations

No donations were made by the entity during the year ended 30 June 2013. (2012: Nil).

Insurance

The New Zealand Blood Service carries insurance cover to protect Board Members and its employees from legal liability arising from them carrying out their duties. During the year NZBS provided Board Members with a Deed of Indemnity when acting in pursuance of the functions of the organisation. The issuing of Deeds of Indemnity has been recorded in each Board Member's Interests Register.

Employee Remuneration Range

Employee Remuneration range	30 June 2013 No. Employees	30 June 2012 No. Employees
\$100,000 - 109,999	7	14
\$110,000 - 119,999	1	3
\$120,000 - 129,999	6	6
\$130,000 - 139,999	3	2
\$140,000 - 149,999	-	1
\$150,000 - 159,999	2	-
\$160,000 - 169,999	3	2
\$170,000 - 179,999	-	2
\$180,000 - 189,999	1	1
\$190,000 - 199,999	1	1
\$200,000 - 209,999	-	1
\$210,000 - 219,999	1	-
\$220,000 - 229,999	-	1
\$230,000 - 239,999	2	1
\$240,000 - 249,999	1	2
\$250,000 - 259,999	1	-
\$290,000 - 299,999	-	1
\$310,000 - 319,999	1	-
\$330,000 - 339,999 *	-	1
\$340,000 - 349,999 *	1	-
	31	39

* Chief Executive Officer
* Chief Executive Officer

Employee remuneration includes the following elements; base salary, cash allowances, bonuses and incentive payments, non-monetary benefits, any Fringe Benefit tax paid on any element of the remuneration package and any termination, severance or end of contract payments.

Termination Payments

There were no termination payments made to employees in 2013. (2012: \$5,251).


David Chamberlain
Board Chairman
5 September 2013

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New Zealand Blood Service
Statement of Comprehensive Income
For the year ended 30 June 2013



	Note	Actual 2013	Budget 2013	Actual 2012
Income				
Revenue from supplying blood products		84,667,643	90,498,243	85,981,420
Revenue from supplying services		17,921,115	18,628,965	17,334,311
Revenue from overseas sales		1,314,508	1,814,393	1,661,677
Interest income		374,511	224,237	445,681
Other income		611,867	6,500	77,674
Gross Income		104,889,644	111,172,338	105,500,763
Expenditure				
Cost of Consumables and changes in Inventory	2	42,634,874	46,279,991	39,676,590
Employee benefit expense	3	37,888,752	39,168,900	36,823,231
Depreciation and amortisation	12 & 13	3,907,700	3,877,800	3,216,713
Other expenses	4	22,111,624	23,781,747	22,239,660
Finance costs	5	199,557	233,900	227,020
Revaluation of derivative financial instruments	6	252,298	-	(129,292)
Total Expenses		106,994,805	113,342,338	102,053,922
(Deficit) / Net Surplus for the Year		(2,105,161)	(2,170,000)	3,446,841
Other comprehensive income		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		(2,105,161)	(2,170,000)	3,446,841

Explanations of significant variances against budget are detailed in Note 32.

The accompanying notes form part of these financial statements

**New Zealand Blood Service
Statement of Financial Position
As at 30 June 2013**



	Note	Actual 2013	Budget 2013	Actual 2012
Assets				
Current Assets				
Cash and Cash Equivalents	7	7,568,904	4,616,214	10,005,872
Trade and Other Receivables	8	10,790,343	11,675,954	11,478,845
Investments	9	3,000,000	-	-
Inventory	10	23,509,022	22,324,401	21,973,341
Derivative Financial Instruments	11	-	-	129,292
Total Current Assets		44,868,269	38,616,569	43,587,350
Non Current Assets				
Property, Plant and Equipment	12	8,335,787	10,326,349	9,181,939
Intangible Assets	13	5,877,903	6,594,566	5,189,810
Total Non Current Assets		14,213,690	16,920,915	14,371,749
Total Assets		59,081,959	55,537,484	57,959,099
Liabilities				
Current Liabilities				
Trade and Other Payables	14	9,799,536	8,840,485	7,649,135
Premises Reinstatement Provision	15	108,849	-	-
Employee Benefit Entitlements	16	5,604,326	4,316,049	5,406,231
Derivative Financial Instruments	11	252,298	-	-
Borrowings	17	315,668	251,932	234,948
Total Current Liabilities		16,080,677	13,408,466	13,290,314
Non Current Liabilities				
Premises Reinstatement Provision	15	904,009	1,310,900	1,073,307
Employee Benefit Entitlements	16	1,355,648	1,172,641	1,421,228
Borrowings	17	4,494,613	3,570,145	3,822,077
Total Non Current Liabilities		6,754,270	6,053,686	6,316,612
Total Liabilities		22,834,947	19,462,152	19,606,926
Net Assets		36,247,012	36,075,332	38,352,173
Equity				
Crown Equity	18	15,716,696	15,716,696	15,716,696
Retained Earnings		20,530,316	20,358,636	22,635,477
Total Equity		36,247,012	36,075,332	38,352,173

For and on behalf of the Board Members of the New Zealand Blood Service.

David Chamberlain
Board Chairman
5 September 2013

David Wright
Board Deputy Chairman
5 September 2013

The accompanying notes form part of these financial statements

**New Zealand Blood Service
Statement of Changes in Equity
For the year ended 30 June 2013**



	Note	Actual 2013	Budget 2013	Actual 2012
Opening balance		38,352,173	38,245,332	34,905,332
Total comprehensive income for the year ended 30 June		(2,105,161)	(2,170,000)	3,446,841
Contribution from owners		-	-	-
Closing Balance	18	<u>36,247,012</u>	<u>36,075,332</u>	<u>38,352,173</u>

The accompanying notes form part of these financial statements

**New Zealand Blood Service
Statement of Cashflows
For the year ended 30 June 2013**



	Note	Actual 2013	Budget 2013	Actual 2012
Cash Flows from Operating activities				
Receipts from Blood Products and Services Revenue		103,923,049	109,140,934	103,308,921
Interest Received		362,766	224,237	445,681
Receipts from Other Revenue		2,304,042	1,433,104	1,232,084
Payments to Employees		(37,721,147)	(38,845,787)	(35,540,324)
Payments to Suppliers		(61,360,470)	(65,830,420)	(60,418,699)
Interest Paid		(200,522)	(184,750)	(226,887)
Capital Charge Payments		(3,084,120)	(2,588,654)	(3,467,473)
Net GST payable to IRD		(43,762)	(162,352)	(184,054)
Net Cash from Operating Activities	19	4,179,836	3,186,312	5,149,249
Cash Flows from Investing activities				
Acquisition of investments - term deposits		(3,000,000)	-	-
Proceeds from sale of Property, Plant and Equipment		34,087	-	2,260
Purchase of Intangible Assets		(1,799,039)	(2,391,690)	(2,872,912)
Purchase of Property, Plant and Equipment		(2,605,108)	(3,641,320)	(2,894,950)
Net Cash from Investing activities		(7,370,060)	(6,033,010)	(5,765,602)
Cash Flows from Financing activities				
Proceeds from Borrowings - finance lease		1,000,000	-	-
Repayment of Borrowings - finance lease		(246,744)	(234,948)	(218,953)
Repayment of Equity		-	-	-
Net Cash from Financing activities		753,256	(234,948)	(218,953)
Net (Decrease) / Increase in Cash, Cash Equivalents and Bank Overdraft		(2,436,968)	(3,081,646)	(835,306)
Cash, Cash Equivalents and Bank Overdraft at the beginning of the Year		10,005,872	7,697,860	10,841,178
Cash, Cash Equivalents and Bank Overdraft at the end of the Year	7	7,568,904	4,616,214	10,005,872

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department.

The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements

1. Statement of Accounting Policies

Reporting Entity

The New Zealand Blood Service (NZBS) is an authorised entity pursuant to section 92H of the Health Act 1956, primarily responsible for the performance of functions in relation to blood and controlled human substances in New Zealand.

The entity (New Zealand Blood Service) is a Crown Entity in terms of the Crown Entities Act 2004, and a Statutory Entity under the New Zealand Public Health & Disability Act 2000.

NZBS is a public benefit entity and its primary objective is to support the New Zealand healthcare community through managing the collection, processing and supply of blood, controlled human substances and related services. Accordingly, NZBS has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements for NZBS are for the year ended 30 June 2013, and were approved by the Board on 5 September 2013.

Basis of preparation

The financial statements of NZBS have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the New Zealand Public Health & Disability Act 2000.

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of derivative financial instruments.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest whole dollar. The functional currency of NZBS is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Standards and interpretation issued and not yet adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the New Zealand Blood Service include:

NZ IFRS 9 Financial Instruments (NZ IFRS 9) will eventually replace NZ IAS 39 Financial Instruments: *Recognition and Measurement (NZ IAS 39)*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when as equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, NZBS is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means NZBS expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, NZBS is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended IFRS that exclude public benefit entities from their scope.

1. Statement of Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue from the provision of products is recognised at the time the risk and effective ownership transfers. Revenue from the rendering of services is recognised as the services are provided. Interest income is recognised using the effective interest method.

Capital Charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

Borrowing costs

The New Zealand Blood Service has elected to defer adoption of the revised NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with the transitional provisions of NZ IAS 23 that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, NZBS recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether NZBS will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that NZBS will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Cost allocation and Inventories

(a) Cost Allocation

Direct costs are those costs directly attributable to the collection and processing of blood products and delivering the associated services. Indirect costs are those costs which are not directly related to the production of NZBS products or services.

Joint product and by-product inventory costs arise in situations where the production of a product makes inevitable the production of other products. A key feature of joint and by-products is that they are not identifiable as individual products till a specific point in the production process referred to as a split-off point. When a group of individual products is simultaneously produced, and each product has a significant value the outputs are usually called and treated as joint products.

Those products which are incidentally produced (not the intentional product) are treated as by-products. Common costs are apportioned to joint products not by-products. Processing costs specifically incurred on further processing of by-products after the split-off point are allocated to those by-products.

(b) Inventories

Inventories held for sale on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method. The valuation includes allowance for slow moving items. Obsolete inventories are written off.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to net realisable value is recognised in the surplus or deficit.

1. Statement of Accounting Policies

Financial Assets

NZBS classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which NZBS commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the NZBS has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. NZBS uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

(1) Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

(2) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

(3) Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that NZBS has the positive intention and ability to hold maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gains or losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income. Currently, NZBS does not hold any financial assets in this category.

(4) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated as fair value through other comprehensive income or are not classified in any of the other categories above. This category encompasses Derivatives that are designated hedges. After initial recognition these investments are measured at their fair value.

If impairment evidence exists for Derivatives that are designated hedges at fair value through other comprehensive income, the cumulative loss recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Impairment of financial assets

At each balance date NZBS assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Accounting for derivative financial instruments and hedging activities

NZBS uses derivative financial instruments to hedge exposure to foreign exchange risks arising from financing activities. In accordance with its treasury policy, NZBS does not hold or issue derivative financial instruments for trading purposes. NZBS has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The resulting gain or loss is recognised in the surplus or deficit.

1. Statement of Accounting Policies

Property, Plant and Equipment

Property, plant and equipment consists of operational assets which include plant and equipment, computer hardware, motor vehicles, furniture and fittings / office equipment and leasehold improvements.

Property, plant and equipment is shown at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to NZBS and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to NZBS and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a combination of straight-line/diminishing value basis on all property, plant and equipment, at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The useful lives of major classes of assets have been estimated as follows:

Computer Equipment	3 to 5 years
Furniture and Fittings	5 to 10 years
Motor Vehicles	3 to 4 years
Plant and Equipment	5 to 10 years
Leasehold Improvements	Shorter of term of lease or useful life

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible Assets

Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives of major classes of intangible assets have been estimated as follows:

Computer Software	3 years
Computer Software Blood Management System (eProgesa)	10 years

1. Statement of Accounting Policies

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee benefits

Short-term benefits

Employee benefits that NZBS expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

NZBS recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that NZBS anticipates it will be used by staff to cover those future absences.

NZBS recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 3.9% for long service leave, 4.5% for retirement leave, and an inflation factor of 3% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income as incurred.

Defined benefit schemes

NZBS belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 20 - Contingencies.

1. Statement of Accounting Policies

Provisions

NZBS recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless NZBS has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Equity

Equity is the Crown's interest in NZBS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Crown Equity
- Retained earnings

Good and Service Tax (GST)

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

Commitments and contingencies are disclosed exclusive of GST.

Taxation

NZBS is a statutory corporation under the New Zealand Public Health & Disability Act 2000 and is exempt from income tax under Section CW38 of the Income Tax Act 2007.

Budget figures

The budget figures are those approved by the Board of NZBS at the beginning of the year as presented in the Statement of Intent. The budget figures have been prepared in accordance with NZ GAAP and comply with NZ IFRS, using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements NZBS has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the NZBS accounting policies

In preparing these financial statements NZBS management has made judgements in applying the NZBS accounting policies. These judgements have been applied consistently to all periods presented in these financial statements. There are no material judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities that need disclosing.

Changes In Accounting Policy

Accounting policies have been consistently applied and there have been no changes in accounting policies.

2 Cost of Consumables and changes in Inventory	30 June 2013	30 June 2012
Consumables	22,505,525	23,017,002
Changes in Inventory *	16,397,859	11,918,279
Expired Product **	3,731,490	4,741,309
Total Cost of Consumables and changes in Inventory	42,634,874	39,676,590

* Changes in Inventory is an aggregated reporting comprising 'cost of goods sold, production recoveries and inventory valuation adjustments' consistent with the application of manufacturing standard costing methodologies and generally accepted inventory valuation principles. Changes in Inventory for the period ending 30 June 2013 at \$16,397,859 was \$4,479,580 higher than the June 2012 cost of \$11,918,279.

** Expired Product - To guarantee the supply of product for any situation NZBS must maintain levels of stocks in excess of normal usage. Though NZBS carefully manages its inventory of products to minimise expiry, due to the short life of the fresh products in particular, there will be a certain amount of product that will expire before it can be utilised.

3 Employee Benefit Expenses	30 June 2013	30 June 2012
Salaries and Wages	37,126,353	35,783,180
Defined contribution plan employer contributions	629,884	97,788
Increase in employee benefit liabilities	132,515	942,263
Total employee benefit expenses	37,888,752	36,823,231

Employee benefit expenses at 30 June 2013 totalled \$37,888,752 and was \$1,065,521 higher compared to the June 2012 year of \$36,823,231. The increase is partly due to the additional cost of employer Kiwisaver contributions (\$527,038) incurred in the June 2013 financial year. In the June 2012 financial year employer Kiwisaver contributions were reimbursed in full by the State Services Commission, this funding arrangement ceased at 30 June 2012.

Employee benefit costs recognised as an expense during 2013 includes the reversal of \$13,935 in respect of accruals for anticipated retrospective staff liabilities subsequently confirmed as not being required (2012: \$15,119 reversal).

4 Other Expenses	30 June 2013	30 June 2012
Fees to principal auditor:		
Audit fees for financial statement audit 2013	98,750	-
Audit fees for financial statement audit 2012	-	98,750
Audit fees for other services	-	-
Capital charge *	3,003,470	3,068,174
Board Members' Fees	116,000	115,828
Net Foreign Exchange Losses / (Gains)	(377,296)	(561,005)
(Gains) / Losses on disposal of Property, Plant and Equipment	(24,920)	(980)
Changes in Premises Reinstatement provision (note 15)	(94,663)	(32,367)
Changes in impairment of Receivables (note 8)	5,380	(3,842)
Impairment of Intangible Assets (note 13)	-	-
Minimum lease payments under operating leases	3,403,817	3,182,647
Other operating expenses **: <ul style="list-style-type: none"> Distribution General administration including insurance costs IT systems and telecommunication Marketing Repairs and maintenance All other operating expenses 	<ul style="list-style-type: none"> 1,710,363 1,279,465 4,196,824 2,301,972 2,104,132 4,388,330 	<ul style="list-style-type: none"> 1,870,919 1,593,595 4,145,048 2,389,750 2,059,417 4,313,726
Total Other Expenses	22,111,624	22,239,660

* The New Zealand Blood Service pays a capital charge to the Crown twice a year. The first payment is based on its actual closing equity from the prior June financial year and the second payment is based on the actual closing equity from current year December six monthly result. The capital charge rate for the period ended 30 June 2013 was 8% (30 June 2012: 8%).

** Other operating expenses in June 2013 totalling \$15,981,086 were \$391,369 lower when compared to the June 2012 spend of \$16,372,455.

	30 June 2013	30 June 2012
5 Finance Costs		
Interest on bank borrowings	118,086	120,277
Interest on Dilworth Trust Finance Lease	45,587	61,582
Provisions: Discount unwinding (Note 15)	34,214	44,836
Interest Other	1,670	325
Total Finance Costs	199,557	227,020
6 Revaluation of Derivative Financial Instruments	30 June 2013	30 June 2012
Foreign exchange forward selling contracts - (gain) / loss	252,298	(129,292)
Total Revaluation of Derivative Financial Instruments - (gain) / loss	252,298	(129,292)
7 Cash and Cash Equivalents	30 June 2013	30 June 2012
Cash in Hand	5,300	5,300
Cash at Bank	6,563,604	10,000,572
Short Term Deposit	1,000,000	-
Total Cash and Cash Equivalents for the purpose of the Statement of Cash Flows	7,568,904	10,005,872

Cash at Bank is deposited with counterparties with Standards & Poor's credit rating of AA- or better. The carrying value of cash at bank, cash on hand and short-term deposits with maturities less than three months from the date of acquisition approximates their fair value.

	30 June 2013	30 June 2012
8 Trade and Other Receivables		
Trade receivables	9,249,729	10,252,214
Sundry receivables	31,504	288,343
	9,281,233	10,540,557
Less: Provision for Impairment of Receivables	(4,205)	(2,960)
Net receivables	9,277,028	10,537,597
Prepayments	1,501,570	941,248
Interest receivable accrued - term deposits	11,745	-
Total Trade and Other Receivables	10,790,343	11,478,845

The carrying value of receivables approximates their fair value.

As at 30 June 2013 and 2012 all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

Receivables Ageing	2013			2012		
	Gross	Impairment	Net	Gross	Impairment	Net
Current	9,209,262	-	9,209,262	10,430,883	-	10,430,883
31 - 60 days	66,110	-	66,110	106,952	(404)	106,548
61 - 90 days	3,384	(1,728)	1,656	808	(808)	-
> 90 days	2,477	(2,477)	-	1,914	(1,748)	166
Total Receivables	9,281,233	(4,205)	9,277,028	10,540,557	(2,960)	10,537,597

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

The provision for impairment has been calculated based on expected non payment of long outstanding or disputed invoices. Expected losses have been determined based on an analysis of NZBS' losses in previous periods, and review of specific debtors.

	30 June 2013	30 June 2012
Movements in the provision for impairment of receivables are as follows:		
Balance at beginning of period	2,960	7,807
Additional provisions made during the year (note 4)	7,013	4,431
Write back of surplus provision during the period (note 4)	(1,633)	(8,273)
Receivables written off during the period	(4,135)	(1,005)
Balance at end of period	4,205	2,960

9 Investments	30 June 2013	30 June 2012
Current portion		
Term Deposits	3,000,000	-
Total current portion	<u>3,000,000</u>	<u>-</u>
Non-current portion		
Term Deposits	-	-
Total non-current portion	<u>-</u>	<u>-</u>
Total investments	<u>3,000,000</u>	<u>-</u>

Term deposits at 30 June 2013 have maturities of five months from the date of acquisition. The carrying amounts of term deposits with maturities less than 12 months approximate their fair value.

10 Inventories	30 June 2013	30 June 2012
Raw Materials - Fresh Frozen Plasma	2,284,655	3,213,207
Work in Process - Fractionated Components	4,874,089	3,955,113
Fractionated Components	12,123,954	11,219,827
Fresh Components	2,381,468	2,188,069
Consumables	2,231,629	1,827,450
	<u>23,895,795</u>	<u>22,403,666</u>
Provision for expired inventory	<u>(386,773)</u>	<u>(430,325)</u>
	<u>(386,773)</u>	<u>(430,325)</u>
Total Inventories	<u>23,509,022</u>	<u>21,973,341</u>

No inventories are pledged as security for liabilities nor are any inventories subject to retention of title clauses.

The level of the provision for expired inventory has been based on expiry of product during the previous 24 months.

The cost of inventories recognised as an expense during the year totalled \$16,397,859 (2012: \$11,918,279) and includes a net writeback of \$27,212 in respect of previous writedowns of inventory to net realisable value (2012: writedown \$97,212).

11 Derivative Financial Instruments	30 June 2013	30 June 2012
Current liabilities portion		
Forward Foreign Exchange Contracts	252,298	-
	<u>252,298</u>	<u>-</u>
Current assets portion		
Forward Foreign Exchange Contracts	-	129,292
	<u>-</u>	<u>129,292</u>

The fair values of forward foreign exchange contracts have been determined using a discounted cash flow valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

12 Property, Plant and Equipment

1 July 2011 Cost or Valuation	Leasehold Improvements	Plant & Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Total
Opening Balance	10,903,414	19,162,738	4,470,634	847,123	184,266	169,958	35,738,133
Additions	564,356	1,567,184	1,092,302	59,968	-	(10,000)	3,273,810
Disposals	-	(167,750)	(2,977)	(462)	-	-	(171,189)
30 June 2012	11,467,770	20,562,172	5,559,959	906,629	184,266	159,958	38,840,754

1 July 2012 Cost or Valuation	Leasehold Improvements	Plant & Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Total
Opening Balance	11,467,770	20,562,172	5,559,959	906,629	184,266	159,958	38,840,754
Additions	625,676	1,154,438	220,560	214,428	27,965	-	2,243,067
Disposals	-	(471,515)	(341,435)	-	(24,444)	-	(837,394)
30 June 2013	12,093,446	21,245,095	5,439,084	1,121,057	187,787	159,958	40,246,427

The Office Equipment addition of negative \$10,000 at 30 June 2012 reflects the reallocation of June 2011 closing capital work in progress to Furniture and Fittings in the June 2012 year.

1 July 2011 Accumulated depreciation and Impairment Losses	Leasehold Improvements	Plant & Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Total
Opening Balance	8,174,991	14,002,206	3,881,821	677,061	147,724	131,126	27,014,929
Depreciation	681,755	1,721,292	315,967	66,851	15,917	12,012	2,813,794
Impairment losses	-	-	-	-	-	-	-
Disposals	-	(167,750)	(1,697)	(462)	-	-	(169,909)
30 June 2012	8,856,746	15,555,748	4,196,092	743,450	163,641	143,138	29,658,814

1 July 2012 Accumulated depreciation and Impairment Losses	Leasehold Improvements	Plant & Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Total
Opening Balance	8,856,746	15,555,748	4,196,092	743,450	163,641	143,138	29,658,814
Depreciation	728,615	1,746,419	480,957	102,801	10,772	10,487	3,080,051
Impairment losses	-	-	-	-	-	-	-
Disposals	-	(471,514)	(341,434)	-	(15,278)	-	(828,226)
30 June 2013	9,585,361	16,830,653	4,335,615	846,251	159,135	153,625	31,910,640

Carrying Amounts

	Leasehold Improvements	Plant & Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Total
At 30 June and 1 July 2012	2,611,024	5,006,424	1,363,867	163,179	20,625	16,820	9,181,939
At 30 June 2013	2,508,085	4,414,442	1,103,469	274,806	28,652	6,333	8,335,787

Property, Plant and Equipment additions include \$1,162,475 of Capital Work in Progress projects at 30 June 2013 (2012: \$1,555,938). There are no restrictions or pledges over Property, Plant and Equipment.

13 Intangible Assets

	30 June 2013	30 June 2012
Computer Software Cost		
Balance at beginning of year	12,452,373	9,375,839
Additions	1,515,742	3,076,534
Disposals	(2,687,142)	-
Balance at end of year	11,280,973	12,452,373
Accumulated Amortisation Expense and Impairment Losses		
Balance at beginning of year	7,262,563	6,859,642
Amortisation Expense	827,649	402,921
Impairment Losses	-	-
Disposals	(2,687,142)	-
Balance at end of year	5,403,070	7,262,563
Carrying Amounts		
At beginning of year	5,189,810	2,516,197
At year end	5,877,903	5,189,810

There are no restrictions over the title of the NZBS intangible assets, nor are any intangible assets pledged as security for liabilities.

The remaining amortisation period on computer software ranges from less than 1 year to 3 years.

Intangible Asset additions include \$116,329 of Capital Work in Progress projects at 30 June 2013 (2012: \$5,558,905). The majority (\$5,530,208) of the June 2012 Capital Work in Progress balance related to the new Blood Management System (eProgesa) which went live in Quarter 1 of the 2012/13 financial year.

Intangible Asset disposals in the main reflect the disposal of the existing Progesa Blood Management System post go-live of eProgesa. All disposals had been fully amortised by the time of their disposal.

There were no impairment losses in the year 30 June 2013 (2012: nil).

14 Trade and Other Payables

	30 June 2013	30 June 2012
Trade Payables	6,750,278	3,302,205
Accrued Expenses	3,036,258	4,250,613
Capital Charge Accrued	-	80,650
Board Members' Fees Payable	13,000	15,667
Total Trade and Other Payables	9,799,536	7,649,135

Trade and Other Payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of Trade and Other Payables approximates their fair value.

15 Premises Reinstatement Provision

	30 June 2013	30 June 2012
Balance as at 1 July	1,073,307	1,060,838
Changes in provisions made during the year (Note 4)	(94,663)	(32,367)
Discount unwind (Note 5)	34,214	44,836
Total Premises Reinstatement Provision	1,012,858	1,073,307
Comprising:		
Current	108,849	-
Non-Current	904,009	1,073,307
Total Premises Reinstatement Provision	1,012,858	1,073,307

The premises reinstatement provision represents the present value of management's best estimate of the future sacrifice of economic benefits that will be required to remove leasehold improvements from leasehold property and reinstate those properties on the expiry of the lease. The estimated cost (using the premises at 71 Great South Road, Newmarket, Auckland as the indicator) has been calculated on a cost per square metre rate for reinstatement based on the advice received from an independent registered valuer.

The unexpired term of the leases concerned ranges from 1 year to 15 years. The New Zealand Blood Service leases premises from District Health Boards and commercial landlords. Leases which expire within 1 year for commercial tenancies are classified as current liabilities. District Health Board tenancies expiring within 1 year are classified as non-current on the basis that the leases will be renewed given the essential nature of the locations.

16 Employee Benefit Entitlements	30 June 2013	30 June 2012
Accrued Salaries & Wages	1,605,357	1,556,614
Annual Leave	3,497,763	3,387,409
Long Service Leave	813,437	820,649
Retirement Gratuities	926,892	947,171
Sick Leave	116,525	115,616
Total Employee Benefit Liabilities	6,959,974	6,827,459
Comprising:		
Current	5,604,326	5,406,231
Non-Current	1,355,648	1,421,228
Total Employee Benefit Liabilities	6,959,974	6,827,459

Liabilities for Retirement Gratuities and Long Service Leave at 30 June 2013 have been calculated by an external actuary resulting in a decrease in the estimated liabilities existing at balance date, compared to the position reported at 30 June 2012.

17 Borrowings	30 June 2013	30 June 2012
Current borrowings are represented by:		
Finance lease	315,668	234,948
Term credit facility	-	-
Total current portion	315,668	234,948
Non-current borrowings are represented by:		
Finance lease	1,194,613	522,077
Term credit facility	3,300,000	3,300,000
Total non-current portion	4,494,613	3,822,077
Total Borrowings	4,810,281	4,057,025

	Carrying Amount		Fair value	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Total Borrowings	4,810,281	4,057,025	4,810,281	4,057,025

In the 2012/2013 financial year the New Zealand Blood Service negotiated a new finance lease with the Dilworth Trust Board to fund the refurbishment of the Donor Floor situated at 71 Great South Road, Newmarket, Auckland. The loan is for a period of 10 years and will be fully repaid by June 2023.

The fair values of the Westpac term credit facility are based on cash flows discounted using a rate based on a borrowing rate of 3.57% (2012: 3.56%). The fair value of the original Dilworth Trust Board loan is based on cashflows discounted using a rate of 7.0% for both 2013 and 2012. The fair value of the new Dilworth Trust Board loan is based on cashflows discounted using a rate of 7.5%.

Maturity Analysis:	30 June 2013	30 June 2012
The following is a maturity analysis of the NZBS finance lease component of borrowings.		
Total minimum lease payments payable		
Less than one year	410,296	841,605
Later than one year but not more than five years	988,322	280,535
Later than five years	566,230	561,070
Total minimum lease payments	1,964,848	1,683,210
Future finance charges	(454,567)	(926,185)
Present value of minimum lease payments	1,510,281	757,025
Present value of minimum lease payments payable		
Less than one year	315,668	234,948
Later than one year but not more than five years	605,821	522,077
Later than five years	588,792	-
Total present value of minimum lease payments	1,510,281	757,025

17 Borrowings continued

The following is a maturity analysis of the NZBS term credit facility.

	30 June 2013	30 June 2012
Less than one year	-	-
Later than one year but not more than five years	3,300,000	3,300,000
Later than five years	-	-
Total term credit facility	3,300,000	3,300,000

Weighted average effective interest rate for the Westpac term credit facility is 3.58%, the original Dilworth Trust Board loan is 7.0% (2012; 3.63% and Dilworth 7.0%) and the Dilworth Trust Board loan negotiated in the 2012/2013 financial year 7.5%. The Dilworth Trust Board borrowing liability has been classified as current for the balance repayable within 12 months and non-current for the remaining balance for both the 2013 and 2012 years. In 2013 and 2012 the Westpac borrowing is classified as non-current liabilities as the balance repayable is greater than 12 months.

The original Dilworth Trust Board borrowing relates to the finance lease element within the property lease for 71 Great South Road, Newmarket Auckland. The lessor funded \$2.6 million of the specialist fit-out costs that would have been met, and capitalised, by the New Zealand Blood Service. The borrowing will be repaid in full by June 2015.

The Westpac New Zealand Limited borrowing liability is unsecured and operates via a negative pledge undertaking. The maximum amount available to New Zealand Blood Service under this borrowing arrangement is \$8,300,000 of which \$5,300,000 is committed funding with the balance uncommitted funding, all on a term facility (2012: \$8,300,000).

The specific requirements of the negative pledge are stated below.

(a) The New Zealand Blood Service must not grant a security interest over more than 5% of its Adjusted Tangible Assets to any third party without the prior consent of Westpac New Zealand Limited.

(b) The New Zealand Blood Service will ensure that it maintains Shareholder Funds of not less than 30% of Adjusted Tangible Assets.

(c) The New Zealand Blood Service adjusted surplus must not be less than the cost of funding.

The Westpac New Zealand Limited unsecured loan becomes repayable on demand in the event the New Zealand Blood Service breaches any of the obligations under the negative pledge undertaking. The New Zealand Blood Service has complied with all negative pledge undertakings and borrowing obligations during the financial year.

The liabilities of the New Zealand Blood Service are not guaranteed in any way by the Government of New Zealand.

18 Equity

	30 June 2013	30 June 2012
Crown Equity		
Total Crown Equity	15,716,696	15,716,696
Retained Earnings		
As at 1 July	22,635,477	19,188,636
Surplus for the year	(2,105,161)	3,446,841
Total Retained Earnings	20,530,316	22,635,477
Total Equity as at 30 June	36,247,012	38,352,173

19 Reconciliation of net surplus to net cash from operating activities

	30 June 2013	30 June 2012
Net Surplus from the statement of comprehensive income	(2,105,161)	3,446,841
Add / (Less) non-cash items:		
Depreciation and Amortisation	3,907,700	3,216,714
Changes in Premises Reinstatement Provision	(60,449)	12,469
Add / (Less) items classified as investing or financing activities:		
(Gains) / Losses on disposal of Property, Plant and Equipment	(24,920)	(980)
Impairment Losses (note 13)	-	-
Add / (Less) movements in working capital items:		
Trade and Other Receivables	688,502	(501,630)
Inventories	(1,535,680)	(1,518,828)
Trade and Other Payables	2,795,739	(251,977)
Employee Benefit Liabilities	132,515	942,262
Revaluation of Derivative Financial Instruments	381,590	(195,622)
Net cash from operating activities	4,179,836	5,149,249

Creditors and accruals for capital expenditure are excluded from the Trade and Other Payables increase or decrease. The 2012 comparatives in the Statement of Cash Flows and Note 19 have been adjusted accordingly.

20 Capital Commitments and Non-cancellable Operating leases and Contracts

Capital Commitments	30 June 2013	30 June 2012
Capital expenditure contracted for at balance date but not yet incurred for Property, Plant and Equipment	833,522	1,830,624

Operating Leases as Lessee

NZBS leases property, plant and equipment in the normal course of its operations. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Operating Leases as Lessee	30 June 2013	30 June 2012
Not later than one year	3,332,155	3,241,967
Later than one year and not later than five years	7,231,664	7,469,601
Later than five years	14,685,069	15,938,846
Total non-cancellable operating leases	25,248,888	26,650,414

The 30 June 2012 and 2013 non-cancellable operating leases include the commitment to lease both level 1 and 2 of Dilworth House, 71 Great South Road, in 2018 for an initial period of 10 years. The estimated cost of this lease commitment is \$13,883,590 over the 10 year period; this figure is included in the later than five years category.

In addition to the above commitments, NZBS has entered into an Agreement to Construct and Lease a new purpose built facility at Lester Lane, Christchurch, for relocation of all existing NZBS Christchurch operations, the majority of which are currently located at 89 Riccarton Road, Christchurch. The site development of the new facility commenced April 2013 and has a target completion date of November 2014. The lease agreement will be for an initial 30 year term with two 12 year rights of renewal and the approximate rental payments per annum (which will be confirmed at the completion of construction) will be \$2.195 million.

Other Non-Cancellable Contracts

NZBS has in place long term non-cancellable supply contracts. The future aggregate minimum contract payments to be paid under non-cancellable contracts are as follows:

Other Non-Cancellable Contracts	30 June 2013	30 June 2012
Not later than one year	30,017,200	33,088,286
Later than one year and not later than five years	10,179,876	38,644,452
Later than five years	-	-
Total other non-cancellable contracts	40,197,076	71,732,738

The reduction in non-cancellable contracts during 2013 is due to a lower number of contracts coming up for renewal.

21 Contingencies

Contingent Liabilities

NZBS is a participating employer in the Defined Benefit Plan Contributors Scheme ("the Scheme") which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, NZBS could be responsible for the entire deficit of the scheme. Similarly if a number of employers ceased to participate in the scheme, the employer could be responsible for an increased share of the deficit.

As at 31 March 2012, the date of the most recent actuarial report, the scheme had a past service surplus of \$19.8 million (8.3% of the liabilities). At 31 March 2011 the surplus was \$37.6 million (16.4% of the liabilities). This amount is exclusive of Specified Superannuation Contribution Withholding Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The Actuary to the scheme recommended previously that the employer contributions were suspended with effect from 1 April 2011. In the latest report, the Actuary recommended employer contributions remain suspended.

Contingent Assets

There are no contingent assets as at 30 June 2013. At June 2012 NZBS had a contingent asset at balance date in the form of a purchase discount entitlement should NZBS decide to purchase the latest version of its blood management system (BMS). This entitlement arose in partial recognition of the costs NZBS incurred in 2007 following a then unsuccessful BMS upgrade. This contingent asset was initially recognised in the 2008 financial year. The BMS upgrade project (eProgesa) which was in progress in June 2012 was successfully implemented in the first quarter of the June 2013 financial year and at that point the contingent asset was realised.

22 Related Party Transactions and Key Management Personnel

All related party transactions have been entered into on an arms' length basis.

The New Zealand Blood Service is a wholly owned entity of the Crown.

Significant transactions with government-related entities

The New Zealand Blood Service generated revenue by selling goods and services to District Health Boards totalling \$101.74 million (2012: \$102.46 million).

Collectively, but not individually, significant, transactions with government-related entities

In conducting its activities, the New Zealand Blood Service is required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The New Zealand Blood Service is exempt from paying income tax.

The New Zealand Blood Service also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2013 totalled \$4.03 million (2012: \$4.14 million). These purchases included the purchase of electricity from Meridian Energy, air travel from Air New Zealand and postal services from New Zealand Post. In addition they included purchases from District Health Boards relating to labour, premises rental, and associated property outgoings.

Key management personnel

Auckland District Health Board is considered a related party due to Mr Ian Ward being a Board member of that entity. New Zealand Bone Marrow Donor Registry is considered a related party due to Professor Peter Browett being a Board member of the Leukaemia and Blood Cancer New Zealand which operates the New Zealand Bone Marrow Donor Registry.

No provision has been required, nor any expense recognised for impairment of receivables from related parties (2012: Nil). The supply of products and services by NZBS and the outstanding balances owed to NZBS are reported, for the purposes of this note, net of any accrued year end distribution of surplus to District Health Boards.

Key Management Personnel Related Party Transactions

	30 June 2013	30 June 2012
Supply of Products and Services by NZBS to Auckland District Health Board	25,195,248	25,376,157
Purchase of Services by NZBS from Auckland District Health Board	336,090	424,070
Outstanding Balances from Auckland District Health Board to NZBS	2,049,931	2,737,180
Outstanding Balances to Auckland District Health Board from NZBS	31,816	54,483
Supply of Products and Services by NZBS to NZ Bone Marrow Donor Registry	388,471	366,442
Purchase of Services by NZBS from NZ Bone Marrow Donor Registry	-	-
Outstanding Balances from NZ Bone Marrow Donor Registry to NZBS	29,903	80,323
Outstanding Balances to NZ Bone Marrow Donor Registry from NZBS	-	-

Capital Charge

During the period the New Zealand Blood Service paid the Ministry of Health a capital charge of \$3,003,470 (2012: \$3,068,174). The amount outstanding at the end of the period was \$nil (2012: \$80,650).

Equity Injection

During the period the New Zealand Blood Service did not receive any equity injection from the Ministry of Health (2012: Nil).

Key management personnel compensation

	30 June 2013	30 June 2012
Salaries and other short term employee benefits	1,893,383	1,878,475
Other long term benefits	62,032	55,812
Total key management personnel compensation	1,955,415	1,934,287

Key management personnel include all Board members, the Chief Executive, and the remaining 7 members of the Executive Team. Key management personnel compensation includes the following elements; base salary, cash allowances, bonuses and incentive payments, non-monetary benefits, any Fringe Benefit Tax paid on any element of the remuneration package and any termination, severance or end of contract payments, annual leave owing, long service leave and gratuity leave entitlements plus board member remuneration.

A close family member of key management personnel is employed by NZBS. The terms and conditions of this arrangement are no more favourable than NZBS would have adopted if there was no relationship to key management personnel.

23 Board Members' Remuneration

		30 June 2013	30 June 2012
Mr David Chamberlain	Appointed 1 October 2009, Appointed Chairman 15 August 2011	32,000	30,064
Ms Anne Urlwin	Chairman Retired 14 August 2011	-	3,871
Mr David Wright	Deputy Chairman Appointed 15 August 2008	20,000	20,000
Mrs Tania Kingi	Appointed 15 August 2008	16,000	16,000
Professor Peter Browett	Appointed 1 October 2009	16,000	16,000
Mrs Pamela Jefferies	Retired 30 September 2012	4,000	16,000
Mr Ian Ward	Appointed 19 August 2011	16,000	13,893
Mrs R Idione	Appointed 1 October 2012	12,000	-
Total Board Members' remuneration		116,000	115,828

Subsequent to balance date Mrs Tania Kingi tendered her resignation from the board effective 7 July 2013.

24 Employee Remuneration range

	30 June 2013 No. Employees	30 June 2012 No. Employees
\$100,000 - 109,999	7	14
\$110,000 - 119,999	1	3
\$120,000 - 129,999	6	6
\$130,000 - 139,999	3	2
\$140,000 - 149,999	-	1
\$150,000 - 159,999	2	-
\$160,000 - 169,999	3	2
\$170,000 - 179,999	-	2
\$180,000 - 189,999	1	1
\$190,000 - 199,999	1	1
\$200,000 - 209,999	-	1
\$210,000 - 219,999	1	-
\$220,000 - 229,999	-	1
\$230,000 - 239,999	2	1
\$240,000 - 249,999	1	2
\$250,000 - 259,999	1	-
\$290,000 - 299,999	-	1
\$310,000 - 319,999	1	-
\$330,000 - 339,999 *	-	1
\$340,000 - 349,999 *	1	-
	31	39

* Chief Executive Officer

Employee remuneration includes the following elements; base salary, cash allowances, bonuses and incentive payments, non-monetary benefits, any Fringe Benefit Tax paid on any element of the remuneration package and any termination, severance or end of contract payments.

25 Termination payments

There were no termination payments made to employees in 2013. During the year ended 30 June 2012, 4 employees received redundancy payments totalling \$5,251.

26 Events after the balance date

Just prior to balance date the NZBS Board approved the commencement of the consultation process with the affected staff and their representative unions in relation to the proposed closure of the Napier and Nelson donor centres. Subsequent to the completion of the consultation process the NZBS Board resolved to close the Nelson and Napier donor centres as from 28 November 2013.

On Monday 2nd September 2013 following a number of adverse reaction reports, NZBS recalled batch 890 Intragam P product pending further investigation. The manufacturer and regulatory authority have been advised and NZBS will be working closely with those parties to determine the future management of the recalled product.

27 Segmental Reporting

The New Zealand Blood Service operates solely within New Zealand. This is considered to be one geographical segment for financial reporting purposes.

The New Zealand Blood Service activities are vertically integrated. These activities include collection, processing, accreditation testing and supply of blood and they are considered to be an integrated segment for reporting purposes.

28 Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	30 June 2013	30 June 2012
FINANCIAL ASSETS		
Loans and Receivables		
Cash and cash equivalents (note 7)	7,568,904	10,005,872
Trade and other receivables (note 8)	10,790,343	11,478,845
Investment - Term Deposits (note 9)	3,000,000	-
Total loans and receivables	21,359,247	21,484,717
Fair value through surplus or deficit		
Derivative financial instruments (note 11)	-	129,292
Total fair value through surplus or deficit	-	129,292
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Trade and other payables (note 14)	9,799,536	7,649,135
Borrowings (note 17)	4,810,281	4,057,025
Total financial liabilities measured at amortised cost	14,609,817	11,706,160
Fair value through surplus or deficit		
Derivative financial instruments (note 11)	252,298	-
Total fair value through surplus or deficit	252,298	-

29 Fair value hierarchy disclosures

	Total	Quoted market price	Observable inputs	Significant non- observable inputs
30 June 2013				
Financial assets				
Derivatives - Forward Foreign Exchange Contracts	-	-	-	-
Financial liabilities				
Derivatives - Forward Foreign Exchange Contracts	252,298	-	252,298	-
30 June 2012				
Financial assets				
Derivatives - Forward Foreign Exchange Contracts	129,292	-	129,292	-
Financial liabilities				
Derivatives - Forward Foreign Exchange Contracts	-	-	-	-

There were no transfers between the different levels of the fair value hierarchy.

30 Financial instruments risks

The New Zealand Blood Service is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, investments in the form of term deposits, accounts receivable, trade creditors and loans.

The entity has a series of policies providing risk management for interest rates and the concentration of credit. The entity is risk averse and seeks to minimise exposure from its treasury activities. Its policies do not allow any transactions which are speculative in nature to be entered into.

Interest Rate Risk

Fair Value interest rate risk

Fair value interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest create exposure to fair value interest rate risk. NZBS manages its interest rate risk through the Treasury Management Committee that meets monthly and considers interest rate risk as part of its agenda.

Cash flow interest rate risk

It is estimated that a general increase or decrease in interest rates on borrowings of 1% would increase or decrease the NZBS surplus / deficit by approximately \$48,100 at 30 June 2013 (2012: \$42,570).

There are no interest rate options or interest rate swap agreements in place as at 30 June 2013 (2012: Nil).

Cash and cash equivalents include deposits at call which are at floating rates and short term deposits at fixed rates totalling \$7,564,000 (2012: \$10,001,000). A movement in interest rates of plus or minus 1% has an effect on interest income of \$75,640 (2012: \$100,010).

Currency Risk

Trade payables include \$2.75 million of Australian dollar denominated payables (2012: \$108.5 thousand) in relation to inventory purchases. Currency risk has been fully mitigated on these payables as they are covered by a Fixed Forward Foreign Exchange selling contract.

The NZD equivalent of unhedged amounts owing in foreign currency at balance date is \$31,276 (2012: \$31,000). The NZD equivalent of unhedged amounts owing to NZBS in foreign currency at balance date is \$31,505 (2012: \$238,131).

Forward Foreign Exchange Contracts	30 June 2013	30 June 2012
Total Forward Foreign Exchange Contracts (stated in \$NZ)	11,456,325	9,680,719

The foreign currency principal amounts were AUD\$9,442,496 (2012: AUD\$7,273,992, USD \$201,581 and EUR 186,307).

The fair values of forward exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

Financial assets

There were no derivative financial assets held for trading at 30 June 2013. At 30 June 2012, derivative financial assets held for trading consisted of fixed forward foreign exchange contracts with a fair value totalling \$129,292. At 30 June 2012 a movement in foreign exchange rates of plus 10% has an adverse impact of \$0.892 million and minus 10% has a favourable impact of \$1.09 million, based on a derivative valuation model using hypothetical forward rates.

Financial liabilities

At 30 June 2013 derivative financial liabilities consisted of forward foreign exchange contracts with a fair value totalling \$252 thousand. At 30 June 2013, a movement in foreign exchange rates of plus 10% has an adverse impact of \$1.02 million, and minus 10% has a favourable impact of \$0.869 million, based on a derivative valuation model using hypothetical forward rates. There were no derivative financial liabilities held for trading at 30 June 2012.

30 Financial instruments risks continued

Credit Risk

Maximum exposure to credit risk at balance date are:

	30 June 2013	30 June 2012
Cash	5,300	5,300
Call Deposits and short term deposits	7,563,604	10,000,572
Receivables	9,277,028	10,537,597
Investments - term deposits	3,000,000	-
Derivative Financial Instruments	-	129,292
Total Credit Risk	19,845,932	20,672,761

Credit quality of financial assets

COUNTERPARTIES WITH CREDIT RATINGS

Total cash at bank and term deposits

	30 June 2013	30 June 2012
AA-	10,563,604	10,000,572

Derivative financial instrument assets

AA-	-	129,292
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COUNTERPARTIES WITHOUT CREDIT RATINGS

Debtors and other receivables

Existing counterparty with no defaults in the past	9,277,028	10,537,597
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Existing counterparty with defaults in the past	-	-
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Total debtors and other receivables	9,277,028	10,537,597
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Concentration of Credit Risk

Concentrations of credit risk from accounts receivable are limited due to the majority of NZBS's revenue being from the 20 District Health Boards (DHBs). The DHBs make up approximately 98% (2012: 95%) of the total receivables outstanding at balance date. Collectively the DHBs are assessed to be low risk, high quality entities due to their nature, as the government organisations responsible for providing the public health service to New Zealand.

Liquidity risk

The maximum amount available to New Zealand Blood Service under existing banking arrangements is \$8,300,000 on term facilities of which \$3,300,000 was drawn down at balance date (2012: \$8,300,000). A negative pledge obligation exists with this facility – refer note 17.

Contractual maturity analysis of financial liabilities

	Liability Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
30 June 2013						
Trade and other payables (note 14)	9,799,536	9,799,536	9,799,536	-	-	-
Borrowings - finance lease (note 17)	1,510,281	1,964,848	410,296	563,650	424,672	566,230
Borrowings - term credit facility (note 17)	3,300,000	3,429,752	119,746	3,310,006	-	-

	Liability Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
30 June 2012						
Trade and other payables (note 14)	7,649,135	7,649,135	7,649,135	-	-	-
Borrowings - finance lease (note 17)	757,025	841,605	280,535	561,070	-	-
Borrowings - term credit facility (note 17)	3,300,000	3,430,355	120,377	3,309,978	-	-

30 Financial instruments risks *continued*

Contractual maturity analysis of derivative financial instruments

30 June 2013	Liability carrying amount	Asset carrying amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	1-2 years
Forward foreign exchange contracts outflow	-	-	11,456,324	6,013,371	5,442,953	-
inflow	252,298	-	11,204,026	5,861,786	5,342,240	-

30 June 2012	Liability Carrying amount	Asset carrying amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	1-2 years
Forward foreign exchange contracts outflow	-	129,292	9,680,719	4,980,477	4,700,242	-
inflow	-	-	9,810,011	5,060,941	4,749,070	-

Contractual maturity analysis of financial assets

30 June 2013	Asset Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Cash and cash equivalents (note 7)	7,568,904	7,568,904	7,568,904	-	-	-
Trade and other receivables (note 8)	10,790,343	10,790,343	10,790,343	-	-	-
Investment - Term Deposits (note 9)	3,000,000	3,000,000	3,000,000	-	-	-

30 June 2012	Asset Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Cash and cash equivalents (note 7)	10,005,872	10,005,872	10,005,872	-	-	-
Trade and other receivables (note 8)	11,478,845	11,478,845	11,478,845	-	-	-
Investment - Term Deposits (note 9)	-	-	-	-	-	-

31 Capital Management

The New Zealand Blood Service's capital is its equity comprising capital and retained surpluses. Equity is represented by net assets.

The New Zealand Blood Service is subject to the financial management and accountability provisions of the Crown Entities Act 2004 which imposes restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities and the use of derivatives.

The New Zealand Blood Service manages its equity as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure it effectively achieves its objectives and purpose, whilst behaving in a financially responsible manner in accordance with the financial management obligations imposed by the Crown Entities Act 2004.

32 Explanation of major variances against budget

The reported deficit of \$2.1M was in line with the deficit target of \$2.2m set for FY13. NZBS achieved a target-aligned result having regard to the lower demand levels experienced throughout the year from District Health Boards, as evidenced by actual revenue being below target and last year by -4.2% and -0.57% respectively. Key factors influencing the reported result compared to the target set were:

- 1) Lower revenues particularly for fresh blood product (8.2% below target) resulted in lower margin recovery, partially offset by a favourable level of sundry income. This lower demand also impacted donor collection number requirements which in turn adversely impacted the level of production recoveries, which combined to be adverse to target by -\$6.40m;
- 2) Inventory adjustments arising over the year were favourable to target overall by +\$0.61M. These favourable adjustments arose from a combination of volume shifts and yield improvements within the fractionated product manufacturing processes, offset in FY13 by unfavourable costing revaluations consistent with the application of an activity based standard costing methodology; and
- 3) Tight expenditure control generally and lower consumable volumes combined with reduced product expiry and practical management of foreign exchange risk ensured overall expenditure was favourable to target by +\$5.86M.

The cash balance at 30 June 2013 totalled \$7.6 million and was \$4.0 million favourable compared to the budgeted balance of \$4.6 million. The main factors influencing the favourable cash movement were as follows;

- 1) Higher actual cash balance at the beginning of the year \$3.1 million.
- 2) Shortfall of revenue receipts from customers of \$6.2 million driving mainly from the lower demand for fresh and fractionated product sales.
- 3) Lower payment to suppliers and employees of \$6.6 million due to lower purchases of consumables as a result of reduced sales demand and tight control over labour and overhead expenditure.
- 4) Lower than planned capital spend of \$2.3 million, with actual spend of \$3.7 million compared to a budget of \$6.0 million.
- 5) Acquisition of investments in the form of term deposits \$3.0 million.
- 6) Proceeds from borrowings \$1.0 million relating to the new finance lease with the Dilworth Trust Board to fund the refurbishment of the Donor Floor situated at 71 Great South Road, Newmarket, Auckland.

The equity position at 30 June 2013 totalled \$36.2 million (budget \$36.1 million) representing an equity ratio of 89.0% (budget 91.0%) and a debt ratio of 11.0% (budget 9.0%). Tangible assets totalled \$53.2 million (budget \$48.9 million) compared to last year's \$52.1 million.

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New Zealand Blood Service Output Class and Outcome	
Output	Outcome
<p>NZBS has one overall Output Class, comprising three interrelated outputs related to:</p> <ul style="list-style-type: none"> • Donors (and patients) • Products and Services • Demand Management <p>Each of which collectively contributes to the achievement of the NZBS Outcome.</p>	<p>Health needs of people in New Zealand are supported by the availability of safe and appropriate blood and tissue products and related services.</p>

Output	Target Set FY13	Financial Performance Historical Trendline						Achieved FY13	Target Set 2013/14
		FY07	FY08	FY09	FY10	FY11	FY12		
Provision of a safe and effective blood service for all New Zealanders through supply and delivery of: <ul style="list-style-type: none"> • Fresh Blood Components; • Fractionated Blood Products; and • Other products and related services. 	Revenue of \$111.17m	\$84.9M	\$91.5M	\$93.2M	\$97.4M	\$102.3M	\$105.5M	Revenue of \$104.9M	Revenue of \$109.7M
	Expenses of \$113.34m	\$84.1M	\$84.6M	\$89.9M	\$95.8M	\$93.0M	\$102.1M	Expenses of \$107.0M	Expenses of \$110.9M
	Deficit of \$2.17m	\$0.8M	\$6.9M	\$3.3M	\$1.6M	\$9.3M	\$3.4M	Deficit of \$2.1M	Deficit of \$1.2M
<p>Financial Performance Commentary – Full Year Result: The reported deficit of \$2.1M was in line with the deficit target of \$2.2m set for FY13. NZBS considers it did well in achieving a target-aligned result having regard to the lower demand levels experienced throughout the year from District Health Boards, as evidenced by actual revenue being below target and last year by -4.2% and -0.57% respectively. Key factors influencing the reported result compared to the target set were:</p> <ol style="list-style-type: none"> 1) Lower revenues particularly for fresh blood product (8.2% below target) resulted in lower margin recovery, partially offset by a favourable level of sundry income. This lower demand also impacted donor collection number requirements which in turn adversely impacted the level of production recoveries, which combined to be adverse to target by -\$6.40m; 2) Inventory adjustments arising over the year were favourable to target overall by +\$0.61M. These favourable adjustments arose from a combination of volume shifts and yield improvements within the fractionated product manufacturing processes, offset in FY13 by unfavourable costing revaluations consistent with the application of an activity based standard costing methodology; and 3) Tight expenditure control generally and lower consumable volumes combined with reduced product expiry and practical management of foreign exchange risk ensured overall expenditure was favourable to target by +\$5.86M. 									

1: External output measures reported in this section of the Statement of Service Performance relate to key products and services which contribute to achievement of NZBS enduring outcome to provide a range of products and services which are appropriate to New Zealand health needs and priorities.

Performance Measure	Standard	Target Set FY13	Historical Trendline							Achieved FY13	Target Set 2013/14			
			FY07	FY08	FY09	FY10	FY11	FY12						
<p>KEY OUTPUT MEASURE 1</p> <p>1.1 Product and Service availability - Key products and services are available at all times (24 x 7).</p>	Measure is instances when this is not achieved and could potentially have a negative consequence for patients.	0	0	0	0	0	0	0	0	0	0	0	NOT ACHIEVED 1 non supply incident in the year with no clinical consequences.	0
<p>Comment on non-supply incident: There was 1 occasion in October 2012 when platelets of the right group were not supplied to Whangarei Hospital when requested and so were not available when required for a patient. The patient's clinical condition required that he be transferred to Auckland City Hospital for urgent neurosurgery and platelets were transfused in Auckland. The patient's clinician has advised that the unavailability of platelets did not contribute to the clinical decision to transfer the patient nor did it cause any harm to the patient. Following surgery the patient made a good recovery and was transferred back to Whangarei for on-going management.</p> <p>The NZBS investigation into this incident identified non-compliance with policy. Adherence to policy has been re-established and NZBS is assessing the implementation of a more robust electronic ordering system between hospital blood banks and NZBS hub-sites.</p>														
Performance Measure	Standard	Target Set FY13	Historical Trendline							Achieved FY13	Target Set 2013/14			
			FY07	FY08	FY09	FY10	FY11	FY12						
<p>1.2 Key Fresh Blood Component Outputs</p> <p>Red Cells (units) - used to treat people with cancer, kidney failure & acute blood loss due to trauma or surgery.</p>	Total output is produced as required by 30 June 2013	137,100 units	138,028	140,874	141,519	141,347	138,093	132,152	120,683 units 88.0% of target	124,800 units				
<p>Platelets (units) — used to support treatment for cancer, some blood diseases and to control bleeding following cardiac surgery or trauma.</p>	Total output is produced as required by 30 June 2013	22,100 adult doses	15,945	16,804	19,061	19,392	20,981	22,337	22,266 adult doses 100.7% of target	19,271 adult doses				

Performance Measure	Standard	Target Set FY13	Historical Trendline					Achieved FY13	Target Set 2013/14	
			FY07	FY08	FY09	FY10	FY11			FY12
Clinical FFP Plasma (units) – used in patients following trauma or transplantation.	Total output is produced as required by 30 June 2013	20,650 units	21,854	20,271	20,211	20,889	19,890	20,621	19,767 units 95.7% of target	18,410 units
Cryoprecipitate (units) – contains clotting used to treat trauma and during cardiac / transplant surgery.	Total output is produced as required by 30 June 2013	4,000 units	2,106	2,118	2,725	3,120	3,358	4,632	4,413 units 110.3% of target	4,150 units
Plasma for Fractionation (kgs) – sent to CSL Behring in Australia to be manufactured into fractionated products and returned to New Zealand.	Total output is produced as required by 30 June 2013	58,600 kgs	43,558	50,908	49,942	44,612	49,546	54,308	52,941 kgs 93.2% of target	52,961 kgs

Comment on Blood Component Outputs: In the 2012/13 financial year demand for fresh products generally declined, Platelet usage being the exception which was in line with target. This general drop in fresh product demand has required NZBS to flex its donor collection volumes down (refer Section 2.4) in order to ensure expiry levels were kept to an absolute minimum. The decline in Red Cell volumes in particular has been evident over the last 3 financial years and is now an ongoing trend expectation for NZBS, as District Health Boards adopt changes in their clinical transfusion practices as well as introduce usage efficiency campaigns such as the very successful “Why use two when one will do” campaign. Similarly there was a flattening of demand for the fractionated immunoglobulin product in particular which as the driver for manufacturing volumes was the reason for a lower volume of fractionation plasma being sent to CSL Behring in Australia.

The challenge for NZBS in this lower demand environment is to ensure lower volume production for both fresh and fractionated product does not adversely impact NZBS’ own internal manufacturing efficiencies.

Performance Measure	Standard	Target Set FY13	Historical Trendline					Achieved FY13	Target Set 2013/14	
			FY07	FY08	FY09	FY10	FY11			FY12
1.3 Key Fractionation Product Outputs										
1.3.1 Intragam P – 200ml 12 gm equivalent vials issued - immunoglobulin product used to treat people with immune deficiencies or diseases which compromise patients’ immune systems	Total output issued as required by 30 June 2013	24,525 vials	18,266	19,566	19,328	20,199	21,648	22,975	22,148 vials 90.3% of target	23,450 vials
1.3.2 Biostate – 250 IU equivalent vials issued – used to manage the inherited bleeding disorder Haemophilia A.	Total output issued as required by 30 June 2013	14,500 vials	26,639	26,777	20,652	13,358	14,186	13,351	14,620 vials 100.8% of target	14,500 vials

Comment on Key Fractionated Products: In the 2012/13 financial year the growth in immunoglobulin demand switched from an historical growth path to a flat / declining demand pattern evidenced via a 3.6% reduction in issues over the 2011/12 financial year. This lowering in demand impacted collections, particularly plasmapheresis collections as less fractionated plasma for manufacture was required – refer Section 1.2. Factor VIII Biostate

Performance Measure	Standard	Target Set FY13	Historical Trendline					Achieved FY13	Target Set 2013/14	
			FY07	FY08	FY09	FY10	FY11			FY12
product experienced demand in line with target volumes as had been agreed with the National Haemophilia Management Group.										
1.4 Key Other Products and Service Outputs										
1.4.1 Tissue typing associated with transplant patients/donors and disease studies.	Total output is provided as required by 30 June 2013	7,050 tissue typing Tests	5,155	5,570	6,309	6,949	7,230	7,528	6,543 tissue typing tests, 92.8% of target	6,888 tissue Typing tests
1.4.2 Antibody screens for patients awaiting organ transplant	Total output is provided as required by 30 June 2013	7,750 patient samples screened	3,021	6,538	6,843	6,655	7,260	7,444	7,941 patient samples screened, 102.5% of target	8,027 patient samples screened
1.4.3 Femoral head issues.	Total output is issued as required by 30 June 2013	765 femoral heads issued	471	508	533	613	604	656	702 femoral heads issues, 91.8% of target	694 femoral head issues
1.4.4 Blood Groupings	Total output is provided as required by 30 June 2013	149,500 blood groupings	131,559	137,749	144,284	146,611	146,644	147,491	148,382 blood groupings, 99.3% of target	149,505 blood groupings
1.4.5 Antibody Screens	Total output is provided as required by 30 June 2013	145,600 antibody screens	128,499	134,033	140,249	142,770	142,399	143,327	144,267 antibody screens, 98.9% of target	147,900 antibody screens
Comment on Other Key Products and Services: These measures relate to the provision of key product (femoral heads) and key services that NZBS provides to the New Zealand health and disability sector. Accordingly the demand volumes reported are directly related to the levels of activity occurring across the sector.										
1.5 Key Therapeutic Service Outputs										
1.5.1 Plasma exchanges – used to remove antibodies and toxins in patients with a range of haematological and neurological diseases.	Total output is provided as required by 30 June 2013	485 plasma exchanges	437	425	359	404	446	485	448 plasma exchanges 92.4% of target	420 plasma exchanges

Performance Measure	Standard	Target Set FY13	Historical Trendline						Achieved FY13	Target Set 2013/14
			FY07	FY08	FY09	FY10	FY11	FY12		
1.5.2 Stem Cell Harvests – used for cancer patients undergoing chemotherapy and bone marrow transplantation.	Total output is provided as required by 30 June 2013	345 stem cell harvests	223	250	265	312	290	309	281 stem cell harvests 81.4% of target	302 stem cell harvests
1.5.3 Therapeutic Venesections – predominantly used to treat haemochromatosis or polycythaemia.	Total output provided as required by 30 June 2013	5,380 therapeutic venesections	4,194	4,379	4,939	5,003	5,460	5,065	4,586 therapeutic venesections 85.2% of target	4,719 therapeutic venesections

Comment on Key Therapeutic Services: These measures relate to the key therapeutic services (in addition to collecting voluntary blood donations) conducted by NZBS donor services. NZBS provides these services as they require the same equipment and similar nursing skills as for the core activity of collecting blood donations. The level of demand for the services is always variable and directly related to patient presented need. In the 2012/13 financial year all 3 categories showed a decline in demand volumes.

2: External output measures in this section of the Statement of Service Performance relate to Demand Management and the relationship with DHBs which contribute to the achievement of Strategic Goal 4 – <u>NZBS relationships with other health sector entities are mutually supportive and productive.</u>				
Performance Measure	Standard	Achieved FY13	Comment	Target Set for 2013/14
<p>2.1 Planning and Communication with DHBs</p> <p>NZBS will demonstrate a productive and supportive relationship with the DHBs including proactively engaging through the Lead DHB CEO to agree pricing for the next financial year, ensuring that this information is provided in sufficient time to inform preparation of DHB Annual Plans.</p>	<p>Feedback on the timely and relevant provision of information, including issue resolution will be provided by the Lead DHB CEO at the end of each financial year.</p>	<p>ACHIEVED as per feedback received from the Lead DHB CEO stating – “it would be my assertion that NZBS has met its <i>Planning and Communication with DHBs objective.</i>”</p>	<p>The current liaison arrangement that has been in place for a number of years is the nomination of one of the 20 DHB CEOs to act as the Lead DHB CEO for any required DHB CEO to NZBS CEO sector related discussion / communication. This arrangement has worked well making it easier for NZBS to engage with the sector as and when requirements arise. The current Lead DHB CEO is the Bay of Plenty DHB CEO.</p> <p>In addition the NZBS CEO works to meet a good number of the DHB CEOs directly over any given year as would be expected of any CEO in the discharge of their customer relationship obligations.</p>	<p>NZBS to receive favourable feedback from the Lead DHB CEO on the timely and relevant provision of information including issue resolution over the course of the 2013/14 financial year.</p>
<p>2.2 NZBS Reports for DHBs</p> <p>NZBS will prepare and share monthly demand management reports outlining purchase volumes by key product line to assist DHBs to manage local demand and costs.</p>	<p>Reports are provided to each DHB by the 12th working day of the following month.</p>	<p>ACHIEVED - Monthly reports have been issued on time to all 20 of the DHBs throughout the 2012/13 financial year.</p>	<p>NZBS as the sole national provider of blood and blood products has a responsibility to provide demand / product utilisation information to its primary customers the District Health Boards. The information provided, amongst other things, assists the DHBs in monitoring their clinical prescribing practices as well as assisting with their budget management responsibilities.</p>	<p>Reports are provided to each of the 20 DHBs by the 12th working day of the following month.</p>

Output Measure	Standard	Achieved FY13	Comment	Target Set for 2013/14
<p>2.3 Clinical Oversight Programme</p> <p>All Blood Banks located in main DHB hospitals (other than the 6 DHBs where NZBS is responsible for Blood Bank provision) will receive at least 1 NZBS Clinical Oversight visit (and audit report) per year in order to enable them to meet the requirements of ISO15189 for IANZ accreditation.</p> <p>Each visit also requires an Oversight visit report, post all visits outlining laboratory standards along with corrective actions and recommendations where appropriate to assist the DHBs in the maintenance of IANZ accreditation for their blood banks.</p>	<p>Minimum of one oversight visit to each participating DHB during the year to meet a 100% oversight target.</p> <p>After each visit reports are produced for all participating DHBs by 30 June 2012.</p>	<p>NOT ACHIEVED</p> <p>A total of 24 clinical oversight visits were conducted in FY13 where NZBS does not directly manage the Hospital Blood Bank – 96% achieved.</p> <p>Due to an inability to land at Hokitika on the scheduled day due to adverse weather conditions the planned West Coast hospital oversight visit did take place.</p> <p>The oversight visit is now scheduled for 16 August 2013.</p>	<p>The clinical oversight programme is part of the New Zealand Blood Service's responsibility in ensuring all DHB blood banks are meeting the required standards as set out in ISO 15189 for IANZ accreditation.</p> <p>The New Zealand Blood Service currently manages 6 DHB Blood Banks located in Auckland City Hospital, Waikato Hospital, Palmerston North Hospital, Wellington Hospital, Christchurch Hospital and Dunedin Hospital.</p>	<p>100% achievement of a minimum one clinical oversight visit and report per year to all non NZBS managed blood banks located in main DHB hospitals.</p>
<p>2.4 Haemovigilance Reporting</p> <p>2.4.1 To promote risk awareness and best practice in transfusion NZBS will prepare and publish a Haemovigilance Report for the calendar year and will share this information with all DHBs to assist them to reduce the incidence of adverse transfusion events.</p>	<p>Haemovigilance Report for the previous calendar year provided to all DHBs by quarter 2.</p>	<p>ACHIEVED - the Haemovigilance Report for the 2011 calendar year was published in the October to December period of 2012.</p>	<p>The 2011 Haemovigilance Report was the seventh such publication issued by NZBS. The increase in the number of reported events by the hospitals each year since inception confirms the success of the scheme with hospital staff noting and reporting any transfusion related incidents demonstrating the continued support of the clinical staff from across the New Zealand health sector to improve the safety of blood transfusion.</p> <p>Local New Zealand data continues to support improvement to NZBS internal systems and provides useful information to monitor the impact of product development initiatives.</p>	<p>Haemovigilance Report for the 2012 calendar year to be published in the October to December period of 2013.</p>

Performance Measure	Standard	Measure FY13	Calendar Years					Reported 2011 Calendar Year	Measure 2013/14		
			2005	2006	2007	2008	2009			2010	
2.4.2.1 Number of transfusion related incidents reported to the National Haemovigilance Programme, with a severity score greater than 1 and imputability score classified as a likely / probable or certain.	Each reported event is assigned an <u>imputability score</u> (how attributable is the event to the transfusion or an alternative cause) and <u>severity score</u> (how threatening is the event to the recipient's life).	Related to adverse reactions in recipients so not appropriate to set targets for this measure. Note: the 2011 calendar year outcome will be reported for this measure.	Severity gradings were not yet implemented	Severity gradings were not yet implemented	Severity gradings were not yet implemented	Severity gradings were not yet implemented	55	38	43	Related to adverse reactions in recipients so not appropriate to set targets for this measure. Note: the 2012 calendar year outcome will be reported for this measure.	
KEY OUTPUT MEASURE 2: Haemovigilance – Patient Safety – Haemovigilance reporting is a voluntary programme of reporting transfusion related events and is a key tool used internationally by blood services to help prescribers, treating clinicians and the blood service track and trend changes and together ensure appropriate, clinically safe and efficacious utilisation.											
Performance Measure	Standard	Measure FY13	Calendar Years					Reported 2011 Calendar Year	Measure 2013/14		
			2005	2006	2007	2008	2009			2010	
2.4.2.2 Number of transfusion related incidents as a result of an NZBS "system failure" reported to the National Haemovigilance Programme, with a severity score greater than 1 and imputability score classified as likely / probable or certain.	Each reported event is assigned an <u>imputability score</u> (how attributable is the event to the transfusion or an alternative cause) and <u>severity score</u> (how threatening is the event to the recipient's life)	Related to adverse reactions in recipients so not appropriate to set targets for this measure. Note: the 2011 calendar year outcome will be reported for this Measure.	Severity gradings were not yet implemented	Severity gradings were not yet implemented	0	0	0	0	0	0 Haemovigilance data received and yet to be formally reported, covering the period 1 January 2012 to 30 June 2013 indicate no incidents would be reported for this measure.	Related to adverse reactions in recipients so not appropriate to set targets for this measure. Note: the 2012 calendar year outcome will be reported for this Measure.

Capability and Input Measures relate to achievement of NZBS' 5 internally focused goals. They can be considered "proxy output measures" in the context of NZBS activities and are key contributors to NZBS success in achieving its enduring outcome.

1. Internal measures related to Products and Service quality which contribute to achievement of Strategic Goal 2 – NZBS achieves the highest possible Safety and Quality standards in all that it does.

Performance Measure	Standard	Target Set FY13	Historical Trendline						Achieved FY13	Target Set 2013/14
			FY07	FY08	FY09	FY10	FY11	FY12		
1.1 Donation Testing Each donation will be tested prior to use in accordance with the NZBS Manufacturing Standards (as approved by Medsafe).	No product is released for issue to a patient until it has passed all safety tests and associated records are maintained.	100% tested	100% tested	100% tested	100% tested	100% tested	100% tested	100% tested	100% tested	
1.2 Regulatory Compliance – Medsafe NZBS will ensure it is GMP (Good Manufacturing Practice) compliant 100% of the time by maintaining current Medsafe licences for its 6 processing sites.	NZBS is required to maintain a licence to manufacture medicines. In order to maintain the licence compliance with the GMP code is mandatory.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	
1.3 Regulatory Compliance – IANZ (International Accreditation New Zealand) NZBS will ensure it maintains IANZ accreditation 100% of the time at all of its diagnostic laboratories.	IANZ is the national authority for accreditation of testing and calibration laboratories, inspection bodies and radiology services.	100% accreditation	100% accreditation	100% accreditation	100% accreditation	100% accreditation	100% accreditation	100% accreditation	100% accreditation	

Performance Measure	Standard	Target Set FY13	Historical Trendline					Target Set 2013/14					
			FY07	FY08	FY09	FY10	FY11		FY12				
1.4 Regulatory Compliance – ASHI (American Society of Histocompatibility and Immunogenetics) NZBS will maintain ASHI accreditation 100% of the time at the national Tissue Typing laboratory.	ASHI accreditation is a programme to evaluate laboratory personnel, procedures and facilities to determine compliance with published ASHI standards. Maintaining ASHI accreditation is a mandatory NZBS requirement.	100% ASHI accredited	Not Applicable	Not Applicable	Not Applicable	100% ASHI accredited	100% ASHI accredited	100% ASHI accredited	100% ASHI accredited	Biennial on-site audit in this year	100% ASHI accredited	Biennial on-site audit in this year	
2. Internal measures related to Donors which contribute to achievement of Strategic Goal 3 – NZBS maintains a sustainable donor population capable of supporting on-going product demand in New Zealand.													
2.1 Donor Population NZBS maintains a donor population capable of meeting the on-going demand for blood and blood products.	The NZBS donor population of whole blood and apheresis donors is maintained at levels required to support ongoing demand.	125,800	132,674	131,323	130,732	128,337	128,417	126,041	121,167	115,490	121,167	115,490	Demand for blood and blood product in 2012/13 was met at all times from an active donor panel of 121,167 donors. In order to meet forecast collection targets (refer Section 2.4)
(minimum total Blood donor panel currently calculated at 15,000 donors based on current demand levels.)													

Performance Measure	Standard	Target Set FY13	Historical Trendline					Achieved FY13	Target Set 2013/14	
			FY07	FY08	FY09	FY10	FY11			FY12
2.2 Donor Satisfaction Measure of Overall Donor Satisfaction with the Quality of Service using the Common Measurement Tool questionnaire.	Greater than 90% of donors surveyed state that they are either "Satisfied" or "Very Satisfied" with the overall quality of service.	Target set at > 90% rating score.						88.6%	88.3%	Set at > 90% rating score.
2.3 Targeted donor recruitment strategies 2.3.1 Increase percentage of Māori donors on the active donor panel from the 2010/11 level of 6.6% of all donors.	Equal to or better than prior year	Set at > 6.6%								Set at > 6.7%
2.3.2 Increase the percentage of youth donors between the ages of 19 – 25 years on the active donor panel from the 2010/11 level of 18.8% of all donors.	Equal to or better than prior year. Attracting youth donors assists in future proofing the donor panels – encouraging new donors to replace those who are retiring.	Set at > 18.2%								Set at > 18.4%

Performance Measure	Standard	Target Set FY13	Historical Trendline						Achieved FY13	Target Set 2013/14
			FY07	FY08	FY09	FY10	FY11	FY12		
2.4 Raw Material (collections) Input										
2.4.1 Whole Blood donations	Collection input targets are not fixed. The collections will be flexed over the year to meet demand indications.	144,000	150,540	149,410	150,756	149,711	149,915	144,820	133,255	132,500
2.4.2 Platelepheresis donations		7,900	5,266	5,583	6,313	6,534	6,546	6,521	6,066	4,600
2.4.3 Plasmapheresis donations		30,100	18,376	27,292	22,772	15,222	24,194	30,481	30,206	31,700
2.4.4 Total donations		182,000	174,092	182,285	179,841	171,467	180,655	181,822	169,527	168,800
3. Internal measures related to People which contribute to achievement of Strategic Goal 5 – NZBS has a sustainable, competent and engaged workforce.										
3.1 Employee Turnover %		11.0%	15.3%	15.5%	9.7%	10.9%	10.7%	9.7%	12.4%	12.0%
3.2 Employee Engagement Index Score from biennial Staff Engagement Survey using the JRA and Associates Survey Tool.		76.0%		No Survey	72.7%	No Survey	74.4%	No Survey	Survey was cancelled in FY13 due to NZBS focus on ensuring a successful implementation of eProgesa blood management system – refer performance measure 4.1.	No Survey planned due to financial constraints. Next survey will be in 2014/15.

4. Internal measure related to Development which contributes to achievement of Strategic Goal 6 – NZBS uses international “best practices” and internal Research and Development capabilities to improve and develop products and services for the New Zealand health and disability sector.

Performance Measure	Standard	Target Set FY13	Historical Trendline					Achieved FY13	Target Set 2013/14
			FY07	FY08	FY09	FY10	FY11		
4.1 e-Progesa implementation Successful completion of the upgrade of the Progesa Blood Management System to e-Progesa	eProgesa is the underpinning blood management system (BMS) that provides required traceability of all donations through to transfusion and connects NZBS to all DHB blood banks for inventory management and related purposes.	Quarter 1 – Successful eProgesa go live	Project not formally launched until 2010/11.					ACHIEVED - eProgesa successfully went live across the NZBS and DHB blood bank networks on 13 August 2012.	No Measure as project successfully completed in August 2012.

5. Internal measures related to Financial Sustainability which contribute to the achievement of Strategic Goal 7 – NZBS is a financially sustainable organisation operating effectively and efficiently.

5.1 Revenue per Full Time Equivalent (FTEs) - \$000's Monitor NZBS total revenue per Full Time Equivalent employee.		\$218.87	\$190.77	\$198.54	\$205.80	\$217.06	\$214.74	\$215.17	\$213.93	
5.2 Financial Management To successfully manage an ever changing demand driven manufacturing environment and the consequential impacts on the NZBS financial position.	Maintaining financial sustainability in an ever changing demand driven environment	Achievement of Budget set as a deficit of -\$2.2m on revenue of \$109.5m	Surplus of +\$0.8m on revenue of \$84.9m	Surplus of +\$6.9m on revenue of \$91.5m	Surplus of +\$3.3m on revenue of \$93.2m Rebate paid to DHBs -\$2.4m	Surplus of +\$1.6m on revenue of \$97.4m Rebate paid to DHBs -\$2.4m	Surplus of +\$9.3m on revenue of \$102.3m	Surplus of +\$3.4m on revenue of \$105.5m	ACHIEVED – reporting a deficit of -\$2.1m on revenue of \$104.9m.	Budget set as a deficit of -\$1.2m on revenue of \$109.7m

STATEMENT OF RESPONSIBILITY

For the Year Ended 30 June 2013

- 1) The Board and Management of the New Zealand Blood Service accept responsibility for the preparation of the annual Financial Statements and Statement of Service Performance and the judgements used in them.
- 2) The Board and Management of the New Zealand Blood Service accept the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.
- 3) In the opinion of the Board and Management of the New Zealand Blood Service, the annual Financial Statements for the year ended 30 June 2013, fairly reflect the financial position and operations of the New Zealand Blood Service.



David Chamberlain
Board Chairman

5 September 2013



David Wright
Deputy Board Chairman

5 September 2013

Independent Auditor's Report

To the readers of New Zealand Blood Service's financial statements and non-financial performance information for the year ended 30 June 2013

The Auditor-General is the auditor of New Zealand Blood Service (the Blood Service). The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the Blood Service on her behalf.

We have audited:

- the financial statements of the Blood Service on pages 33 to 57, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Blood Service that comprises the statement of service performance on pages 58 to 70, and which includes outcomes.

Opinion

In our opinion:

- the financial statements of the Blood Service on pages 33 to 57:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Blood Service's:
 - financial position as at 30 June 2013; and
 - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of the Blood Service on pages 58 to 70:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Blood Service's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and

its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 5 September 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Blood Service's financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control 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 Blood Service's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported non-financial performance information within the Blood Service's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Blood Service's financial position, financial performance and cash flows; and
- fairly reflect its service performance and outcomes.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Board's responsibilities arise from the Crown Entities Act 2004 and the New Zealand Public Health and Disability Act 2000.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Blood Service.



Karen MacKenzie
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

NZBS BOARD MEMBERS

Mr David Chamberlain (Board Chairman)
BEc, FNZSA, FIAA, MInstD

Mr David Wright (Deputy Board Chairman)
MBA (Distinction), B Tech (Food) (Hons), AMInstD

Professor Peter Browett
BMedSc, MBChB, FRACP, FRCPA

Ms Raewyn Idoine

Mrs Tania Kingi
Dip.Bus (Māori Devt)
Ngāti Awa, Ngāi Tai, Te Arawa

Mr Ian Ward
BSc, MCom

NZBS EXECUTIVE MANAGEMENT

Chief Executive Officer
Fiona Ritsma
DCR, HDCR, DipBusStuds

Chief Financial Officer
John Harrison
BCom, CA

National Medical Director
Dr Peter Flanagan
BMedSci, BM, BS, FRCP, FRCPath, FRCPA

National Manager Human Resources
Sue Jensen
RGON, GDipBus (ER)

National Manager Operations
Christine Van Tilburg
NDMLS, RMLS

National Manager Technical Services
Ray Scott
NZCS, COPMLT, RMLS

National Manager Quality and Regulatory Systems
Meredith Smith
BAppSc, GradDipQualMgt

National Manager Donor Services
Olive Utiera
RGON
Ngāpuhi, Taranaki

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(on behalf of the Auditor General)
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Level 6, 16 Takutai Square
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SOLICITORS

Buddle Finlay
Auckland and Wellington



Donor centre information

Auckland Donor Centre

09 523 5733
71 Great South Road, Epsom

Napier Donor Centre

06 834 1829
76 Wellesley Road

North Shore Donor Centre

09 489 8858
441 Lake Road, Takapuna

Wellington Donor Centre

04 380 2243
Hospital Road, Newtown

Manukau City Donor Centre

09 263 4667
Unit B, 116 Cavendish Drive

Christchurch Donor Centre

03 343 9040
87 Riccarton Road

Tauranga Donor Centre

07 578 2194
154 – 168 Cameron Road

Nelson Donor Centre

03 545 8092
16A Vanguard Street

Hamilton Donor Centre

07 839 3679
Cnr Lorne Street and Ohaupo Road

Dunedin Donor Centre

03 477 9920
Cnr Cumberland and St Andrew Streets

Palmerston North Donor Centre

06 350 8563
Gate 12, Ruahine Street

