

MONITORING REPORT AGAINST THE FORECAST STATEMENT OF SERVICE PERFORMANCE ACTIVITIES

PERIOD: QUARTER 4 – 1 APRIL 2023 TO 30 JUNE 2023

NZBS has one overall Output Class, comprising three interrelated outputs related to:

- Donors (and patients)
- Products and Services
- Supply Chain Management – aligning supply with demand

Each of which collectively contributes to the achievement of the outcome below:

New Zealand Blood and Organ Service Outcome

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

OUTPUT	Value 2022/23 \$000's (excl. GST)
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 • Other products and related services 	Revenue \$198,202 Expenses \$195,533 Surplus \$2,669**
** The Budget numbers were updated in December 2022 following a decision to switch the primary funding source from external debt funding to Crown equity funding.	

IMPACT STATEMENT
Te Whatu Ora hospitals and private health providers receive a safe and secure supply of blood, blood products, and related services at the right place, at the right time to meet demand at ALL times. NZBS will also provide the necessary support for organ and tissue donation and their associated banking services.

The Quarterly Monitoring report follows the tables detailing the external service output performance measures set for the 2022/23 financial year that will be reported against in the NZBS 2022/23 Annual Report.

These output performance measures are linked to NZBS's enduring outcome and the following Statement of Intent strategic objectives with the performance measures NZBS is to be monitored against:

- **Strategic Goal 1 – Building Foundations for Growth;**
 - Annual employee Turnover,
 - Employee Engagement Index
 - Auckland Facility Multi-year Redevelopment Project.
 - Highbrook satellite Site,
 - Waikato Hub Facility
- **Strategic Goal 2 - Delivering Operational Effectiveness;**
 - Raw Material Inputs flexed on Demand Forecasts,
 - Clinical Oversight Programme,

- Donation Testing,
 - Regulatory Compliance – Medsafe,
 - Regulatory Compliance – IANZ,
 - Regulatory Compliance – ASHI,
 - Financial Management,
 - NZBS Reports for the Te Whatu Ora hospitals,
 - Organ Donation New Zealand (ODNZ) – performance monitoring.
 - New Zealand Bone Marrow Donor Registry (NZBMDR) from 1 December 2022 – developing performance monitoring.
- **Strategic Goal 3 - Providing Exceptional Service.**
 - Blood Donation Donor Population,
 - Targeted Blood Donor satisfaction,
 - Planning and Communication with District Health Boards (DHBs),
 - Haemovigilance Reporting – Patient Safety,
 - Sustainability – Carbon Reduction Initiative.
- **Specific Commentary relating to the Quarter under Review.**
 - June Quarter 2023
- **Financial Monitoring by Quarter**
 - June Quarter 2023,

The June quarter 2023 Quarterly performance is represented by the measures reported in this monitoring report.

1.1 FORECAST STATEMENT OF EXTERNALLY FOCUSED SERVICE PERFORMANCE

Performance measures relate to achievement of NZBS's strategic objectives and will be reported in the NZBS Annual Report.

Monitoring WHAT is intended to be achieved				
Performance Measures	2020/21	2021/22	2022/23	2022/23
1 Measures related to Key Products and Services which contribute to achievement of NZBS Enduring Outcome	Actual	Actual	Target	Actual to Date
1.1 Key products and services available at all times (24 hrs x 7 days). Measure is instances when this is not achieved, and which had a negative clinical outcome.	Outcome 0	Outcome 0	0	Q1: Achieved Q2: Achieved Q3: Achieved Q4: Achieved
Note: For a failure to supply to occur, it is required to have occurred within the control of the New Zealand Blood and Organ Service and be attributable to NZBS managed systems and processes. This measure does not relate to organ transplantation.				
2 Measures related to achievement of Strategic Goal 1 – Building Foundations for Growth	2020/21 Actual	2021/22 Actual	2022/23 Target	2022/23 Actual to Date
2.1 Annual Employee turnover.	11.76%	16.69%	14.0%	Q1: 21.53% Q2: 20.73% Q3: 18.17% Q4: 16.54% Rolling YTD: 19.19%
2.2 Employee Engagement Index: Undertaken as part of the broader Culture and Engagement Survey	No Survey	No Survey	Survey planned utilising new software platform to reset benchmark	Outcome The 'Our Voices' engagement survey had an 80% participation rate with an overall score of 7.0 out of 10 max. This was assessed as a good result given the recent challenges faced in the health sector.
2.3 Auckland Facility Multi-Year Redevelopment Project Successful completion of key project milestones in accordance with the Project's rolling work programme as set at the commencement of a given financial year. Delivery focus, financial year to financial year is on those stages targeted for completion within the financial year under review, accepting the redevelopment is a complex multi-year undertaking.	Outcomes Key outcomes achieved by 30 June 2021 were per the approved Redevelopment work programme, despite some delays with further Covid-19 lockdowns in Auckland during the financial year.	Outcome * <u>Covid Impacted</u> Key milestones were Covid delayed in the 30 June 2022 financial year impacting the programme by some 8 weeks	Target Key milestones achieved by 30 June 2023 in accordance with the Project's work programme as set at the start of the financial year	Outcome Stage 3 Phase 1 comprises Stages 3A, 3B and 3C. Stage 3C targeted to be completed by 30 November 2023. Stage 3B went operational in April 2023 Stage 3C commenced 29 April 2023 and is on programme to complete on target.
2.4 Other Major Infrastructure Investments	2020/21	2021/22	2022/23	2022/23
2.4.1 New Highbrook National Facility: Stage 1 comprises a Logistics facility handling refrigerated containers, plasma processing and handling facility, national refrigerated storage facility and administration area. Stage 2 comprises the advanced Cellular Therapies and Tissue Bank laboratories and multi clean room facilities.	New Measure		Target To have completed the stage 1 build by no later than 30 June 2023.	Outcome Stage 1 fit-out commenced late in the June 2023 Quarter under the appointed primary contractor Savory Construction Limited.
2.4.2 New Waikato Hub Facility An integrated facility comprising donor centre, therapeutic facilities, logistics and storage hub servicing the Waikato and administrative support facilities.	New Measure		Target To have completed the facility build by no later than 30 June 2023.	Outcome The new Donor Centre is set to open 14 August 2023.

NEW ZEALAND BLOOD AND ORGAN SERVICE – MONITORING REPORT AGAINST THE ANNUAL STATEMENT OF PERFORMANCE EXPECTATIONS FOR THE 12 MONTHS ENDED 30 JUNE 2023

Monitoring WHAT is intended to be achieved				
Performance Measures	2020/21	2021/22	2022/23	2022/23
2.4.3 New Tauranga Donor Centre	New Measure		Target To have met key milestones in accordance with the agreed work programme as at the start of the financial year	Outcome The new Tauranga donor centre development saw a number of delays over 2022/23 with a reset programme timeline still inside the existing site exit date of 31 March 2024.
3 Measures related to achievement of Strategic Goal 2 – Delivering Operational Effectiveness	2020/21 Actual	2021/22 Actual	2022/23 Forecast	2022/23 Full Year
3.1 Raw Material (Collections) Inputs – based on Demand Forecasts				Q1: 30,232 Q2: 30,449 Q3: 29,627 Q4: 30,809 Total: 121,117
3.1.1 Total Whole Blood donations.	115,717	117,535	119,098	
3.1.2 Total Plateletpheresis donations.	2,793	2,739	2,748	Q1: 652 Q2: 662 Q3: 744 Q4: 701 Total: 2,759
3.1.3 Total Plasmapheresis donations.	101,826	106,890	108,000	Q1: 26,951 Q2: 24,784 Q3: 25,203 Q4: 24,510 Total: 101,448
3.1.4 Total donations.	220,336	227,164	229,846	Q1: 57,835 Q2: 55,895 Q3: 55,574 Q4: 56,020 Total: 225,324
Comment: The level of Collected donations are not fixed rather are flexed to meet the demand profile as monitored over the course of the financial year.				
3.2 Clinical Oversight Programme All blood banks located in main Te Whatu Ora hospitals (other than the 6 hospitals where NZBS is responsible for blood bank provision) will receive at least 1 NZBS Clinical Oversight visit (and audit report) per year to enable them to meet the requirements of ISO15189 for IANZ Accreditation.	Outcome The 2020/21 financial year was a catch-up year post Covid delayed oversight visits from 2019/20. All planned oversight visits were undertaken and reported upon during the 2020/21 financial year.	Forecast Covid-19 Impacted Outcome Northland DHB 2021/22 oversight visits were impacted by Covid lockdowns and Northland / Auckland border restrictions. All other planned visits were made	TARGET 100% To achieve a minimum of one clinical oversight visit and report per year for all non NZBS managed blood banks located in main Te Whatu Ora hospitals	Outcome During the 12 months to 30 June 2023 NZBOS undertook 31 clinical oversight visits around New Zealand hospital blood banks.
3.3 Donation Testing Each donation will be tested in accordance with the NZBS Manufacturing Standards (as approved by Medsafe) No product is released for issue to a patient until it completed mandatory testing or is released under the <i>Exceptional Release</i> protocol.	Outcome 100% of donations tested	Outcome 100% of donation testing	TARGET To maintain 100% donation testing	Outcome Over the 12 months to 30 June 2023 NZBOS tested 100% of its donations
3.4 Regulatory Compliance - Medsafe NZBS will ensure it maintains Medsafe licences for its 6 main sites 100% of the time, to provide an assurance of GMP compliance. NZBS is required to maintain a licence, in order to manufacture medicines. The licence requires, mandatory compliance with GMP codes.	Outcome 100% GMP Licensing Compliance maintained over the financial year	Outcome 100% GMP Licensing compliance maintained	TARGET To maintain 100% of donations tested	Outcome 100% GMP Licencing compliance maintained
3.5 Regulatory Compliance – IANZ (International Accreditation New Zealand) NZBS will ensure it maintains IANZ accreditation 100% of the time at all NZBS diagnostic laboratories. IANZ is the national authority for accreditation of testing and calibration laboratories, inspection bodies and radiology services.	Outcome 100% IANZ accreditation maintained	Outcome 100% IANZ accreditation maintained	TARGET 100% IANZ accreditation maintained	Outcome 100% IANZ accreditation maintained

NEW ZEALAND BLOOD AND ORGAN SERVICE – MONITORING REPORT AGAINST THE ANNUAL STATEMENT OF PERFORMANCE EXPECTATIONS FOR THE 12 MONTHS ENDED 30 JUNE 2023

Monitoring WHAT is intended to be achieved				
Performance Measures	2020/21	2021/22	2022/23	2022/23
<p>3.6 Regulatory Compliance – ASHI (American Society of Histocompatibility and Immunogenetics) NZBS will maintain ASHI accreditation 100% of the time at the NZ Transplantation and Immunogenetics Laboratory (NZTIL). 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.</p>	<p>Outcome 100% ASHI accredited.</p>	<p>Outcome 100% ASHI accredited A virtual Site audit was successfully completed in May 2022.</p>	<p>TARGET 100% ASHI accreditation maintained. Biennial on-site audit to be completed and 100% ASHI accreditation to be maintained</p>	<p>Outcome NZTIL has successfully demonstrated compliance with all mandatory ASHI standards. NZTIL now holds a new ASHI accreditation certificate from 1 September 2022 to 31 August 2024.</p>
<p>3.7 Financial Management Assure cost efficiency and value for money management through maintenance of financial sustainability in an environment which is demand driven (i.e. changes in product demand mix and volume by the DHBs, impacts on the NZBS financial result).</p>	<p>Outcome A better than budget reported surplus of \$2.74m on revenues of \$163.26m</p>	<p>Outcome A worse than Budget reported deficit of \$1.60m on revenues of \$173.9m.</p>	<p>TARGET Achievement of budget or better. Budget set as a surplus of \$920k on revenue of \$197.96m.</p>	<p>Outcome A worse than Budget reported deficit of \$3.04m on revenues of \$204.4m</p>
	<p>No price rebate paid to DHBs</p>	<p>No price rebate paid to DHBs</p>	<p>No price rebate planned to Te Whatu Ora</p>	<p>No Price rebate is expected to be paid to Te Whatu Ora</p>
<p>3.8 NZBS Reports to Te Whatu Ora Monthly demand management reports outlining purchase volumes by key product line are provided to DHBs to assist them to manage local usage and costs.</p>	<p>Outcome Monthly reports detailing product use & expiry information were all provided within set timeframes to all 20 DHBs throughout the 2020/21 financial year.</p>	<p>Outcome Monthly reports detailing product use & expiry information were all provided within set timeframes to all 20 DHBs throughout the 2021/22 financial year.</p>	<p>TARGET Reports are provided to Te Whatu Ora Hospitals by the 10th working day of the following month.</p>	<p>Outcome Monthly reports detailing product use & expiry information were provided on average within 4 working days post month-end to all nominated hospitals throughout the 2022/23 financial year.</p>
<p>3.9 Organ Donation New Zealand (ODNZ) – Performance Monitoring NZBS to provide an ODNZ performance monitoring report to the Ministry of Health on a quarterly basis (once agreed with the Ministry of Health).</p>	<p>Outcome NZBS assumed responsibility for ODNZ from 30 November 2020 and maintained reporting requirements to the Ministry of Health over the balance of the financial year</p>	<p>Outcome Performance monitoring reports were provided to the Ministry of Health on a quarterly basis. The 2021 calendar year ODNZ Annual Report was published April 2022 on the ODNZ website.</p>	<p>Target Performance Monitoring reports, as agreed, to be provided to the Ministry of Health on a quarterly basis.</p>	<p>Outcome - Q3: September 2022 quarter Monitoring report provided to the Ministry of Health - Q4: the ODNZ 2022 Annual Report published in July 2023. - Q1 March 2023 quarter Monitoring report provided to the Ministry of Health</p>
<p>4 Measures related to achievement of Strategic Goal 3 – Providing Exceptional Service</p>	<p>2020/21 Actual</p>	<p>2021/22 Actual</p>	<p>2022/23 Target</p>	<p>2022/23 Outcome</p>
<p>4.1 Donor Satisfaction NZBS maintains a donor population capable of meeting the ongoing demand for blood and blood products. • Active whole blood, plateletpheresis and plasmapheresis donor panels.</p>	<p>These reported donor numbers represent the donor population required to meet demand noting that within any given financial year there is constant flexing to ensure demand alignment that in turn minimises product expiry.</p>			
	<p>112,388</p>	<p>121,326</p>	<p>123,222</p>	<p>Q1: 117,032 Q2: 117,103 Q3: 117,955 Q4: 119,136</p>
<p>Comment: NZBS active donor population is split between whole blood, plateletpheresis and plasmapheresis panels with growth focused on the wholeblood panel (red cell demand) and the plasmapheresis panel to support the demand for fractionation source plasma used to manufacture fractionated product.</p>				

NEW ZEALAND BLOOD AND ORGAN SERVICE – MONITORING REPORT AGAINST THE ANNUAL STATEMENT OF PERFORMANCE EXPECTATIONS FOR THE 12 MONTHS ENDED 30 JUNE 2023

Monitoring WHAT is intended to be achieved				
Performance Measures	2020/21	2021/22	2022/23	2022/23
4.2 Blood Donation Donor Satisfaction Measure of overall satisfaction with the quality of service 90% of donors give an 8 or higher score out of 10 of their experience/satisfaction with the service.	Outcome 94.6% versus a target set of greater than 90% surveyed satisfaction.	Outcome 94.8% versus a target set of greater than 90% surveyed satisfaction.	Forecast Maintain greater than 90% satisfaction with the service	Outcome - November 2022 Survey saw a 96.9% satisfaction rating. - Next survey planned for the 2023/24 financial year
4.3 Targeted Blood donation donor recruitment strategies	Actual 2019/20	Actual 2020/21	Target 2021/22	Actual
4.4 Recruit 2,900 new and reinstated Māori donors to the active donor panel (each year measure).	Outcome Covid-19 Impacted 2,691 (92.79% of target set)	Outcome Covid-19 Impacted 2,710 (93.34% of target set)	2,900	Outcome 3,003 achieved being 103.6% of the target set
4.5 Recruit 11,000 new and reinstated youth donors between the ages of 16-25 on the active donor panel (each year measure) ¹ .	Outcome Covid-19 Impacted 9,820 (68.65% of target set)	Outcome Covid-19 Impacted 7,552 (68.65% of target set)	11,000	Outcome 8,469 achieved which was better than last year but only 77.0% of the target set **
** The level of target achievement while better than last year did not meet target as NZBS continued to see the impact of secondary school and university mobile drives not yet returned to pre-Covid levels.				
4.6 Planning and Communication with Te Whatu Ora Hospitals NZBS will demonstrate a productive and supportive relationship with Te Whatu Ora at all levels whether hospital, region or national office consistent with maintaining a strategic partnership, including proactively engaging with them to ensure they are fully informed around all matters in what is a strategic relationship. NOTE: Exact measure has changed over recent years.	Outcome NZBS has received the following feedback from the Lead DHB CEO on meeting this target – please refer below for text of feedback.	Outcome NZBS has maintained contact with the Lead DHB CEO over the 2021/22 financial year. The announcement of the health reforms disrupted the normal engagement process in Q4 making this measure difficult to meet as originally set.	TARGET NZBS demonstrates a productive and supportive relationship with Te Whatu Ora at all levels of the strategic partnership underpinned by the timely and relevant provision of information over the course of the 2022/23 financial year. Measured at CEO to CEO level.	Outcome Over the 2022/23 financial year NZBOS has worked to establish operational relationships with Te Whatu Ora at the national Procurement level as well as at clinical and hospital levels as appropriate for two Crown entities working collaboratively for the overall benefit of the health sector. Working to ensure an aligned strategic vision between us will be a key focus in the 2023/24 financial year.
4.7 Haemovigilance Reporting - Patient safety (a CALENDAR year timeline for reporting) To promote risk awareness and best practice in transfusion, NZBS will publish in any given financial year an annual Haemovigilance Report for the nominated calendar year and will share this information with all hospitals to assist them to reduce the incidence of adverse transfusion related events.	Outcome Outcome 2019 Annual Haemovigilance Report was published and distributed to all DHBs within the 2020/21 financial year and made available on the NZBS website..	Outcome 2020 Annual Haemovigilance Report was published and distributed to all DHBs in December 2021. The 2020 report was made available on the NZBS website at the same time.	TARGET 2021 Annual Haemovigilance Report was published and distributed to all Te Whatu Ora hospitals in December 2022. The 2021 report will be made available on the NZBS website at the same time.	Outcome The 2021 calendar year Haemovigilance report was provided to Te Whatu Ora hospitals in September 2022. The 2021 report was also published on the NZBOS website at that same time.

NEW ZEALAND BLOOD AND ORGAN SERVICE – MONITORING REPORT AGAINST THE ANNUAL STATEMENT OF PERFORMANCE EXPECTATIONS FOR THE 12 MONTHS ENDED 30 JUNE 2023

Monitoring WHAT is intended to be achieved				
Performance Measures	2020/21	2021/22	2022/23	2022/23
<p>4.8 Haemovigilance Reporting – Patient safety</p> <p>Number of transfusion related errors made by NZBS that result in an adverse reaction in the recipient with a severity score greater than 1 and an imputability score classified as likely/probable or certain.</p>	Outcome 0	Outcome 0	Inappropriate to set a target for this measure noting the desired outcome is always 0.	Outcome 0
Note: The wording for this measure were refined in the 2020/21 financial year. The changes made continue to reflect the intent of the original measure.				
<p>4.9 Sustainability – Carbon Reduction Initiative</p> <p>NZBS is committed to reducing its greenhouse gas (CHC) emissions and has set a target of a reduction in carbon footprint intensity of 15% within 5 years of the baseline measurement being established in accordance with rule 59b of the Government’s reduction programme.</p>	Outcome In the 2020/21 financial year NZBS established its baseline carbon footprint measurement for future monitoring	Outcome In the 2021/22 financial year NZBS captured its second year of carbon reduce certification and carbon footprint measurement.	Target In the 2022/23 financial year, NZBS will progress to a target of 21% reduction in GHG emissions from the baseline by the 2025/26 financial year.	<p style="text-align: center;">Outcome</p> <p>In the 2022/23 financial year NZBOS firmed out its strategic approach to sustainability and established its sustainability ambitions. NZBOS also captured its third year of carbon reduce certification along with its carbon footprint measurement.</p> <p>NZBOS has aligned carbon emissions reporting timeframes, reduction ambitions and amended base year reporting for the Carbon Neutral Govt. Programme (CNGP).</p> <p>This meant that NZBOS has captured and reported unaudited data for their fourth year of reporting and will be using the 2022/23 financial year as the base year to monitor future reductions against.</p> <p>The data will be audited and included in NZBOS’s Emissions Reduction Plan in the 2023/24 financial year (in line with the guidance of CNGP).</p> <p>Based on CNGP guidance, NZBOS has amended ambition intensity targets to reducing 42% carbon intensity by 2030.</p>

SPECIFIC COMMENTARY RELATING TO THE QUARTER UNDER REVIEW

Achievement / Activities / Points of Note over the June 2023 Quarter

- Holidays Act Remediation Milestone achieved with NZBOS having a fully rectified payroll system. The payroll run on 21 June 2023 was the first Holiday Act compliant payroll run and a key milestone in the NZBOS Holiday Act remediation journey. Payroll rectification was a key milestone that kept NZBOS on track to meet the target date of 14 December 2023 for initial remediation payments to current employees.
- During the June quarter the long-planned transfer of *Hematopoietic Progenitor Cells* (HPC) processing was successfully transferred from Palmerston North to the Wellington processing centre. The move was triggered in part by Medsafe indicating they would no longer grant approval to operate the Palmerston North clean room having deemed it as being unfit for purpose.
- In May 2023 a new Director Donor Services, Brett Paradine was appointed. Brett has a long history of health service management having started his career as a nurse.

During the June quarter, planning accelerated in the transition from airfreight to sea freight for the delivery of frozen source plasma to CSL Behring in Melbourne for fractionation. The initial focus is on shipping plasma ex Christchurch, commencing in August 2023. This change positively impacts the shipping process delivering a number of key benefits;

- More cost-effective shipping including the packing and loading of product for shipment,
 - Eliminates the use of polystyrene boxes switching to cardboard cartons,
 - Eliminates the use of dry-ice along with a significant reduction in the NZBOS carbon footprint,
 - Increases freezer capacity utilisation due to the use of smaller cartons.
- NZBOS has been working to improve its cultural competency and awareness electing to create a dedicated in-house resource to support NZBOS with its Kaupapa, working closely with our internal advisory group – Kakapa Manawa.
 - The process migration journey for fractionated product continues as planned with the initial production of PrivigenNZ successfully undertaken in the new facility during the June 2023 quarter. The roll-out of the product transition is proceeding smoothly as planned.

To refresh the process migration project involves the introduction of new fractionated product lines to be known as Privigen NZ, Hizentra NZ, Alburex NZ, Beriplex NZ along with Gamunex (thirdline alternative commercial Ig product) and Kybernin P (commercial ATIII product).

These new products replace the well-known product names like IntragamP, Evogam, Albumex, Prothombinex and Thrombotrol.

- Property infrastructure development continued to be a major focus over the June 2023 quarter. For the Highbrook site following the disruption of the March quarter the June quarter saw the project moving forward again with Savory Construction Limited appointed as the lead contractor in late May 2023 to undertake the planned Stage 1 works.

Stage 1 comprises Logistics and various temperature-controlled storage facilities along with a plasma processing facility which on its completion in late March 2024 will enable the commencement of sea freighting of source plasma out of Auckland.

- IT Infrastructure continued to be progressed over the quarter with key IT projects running in parallel, namely the DRM 365 a new customer relationship management system, ISBT 128 allowing the transition to an international labelling system essential for FACT accreditation in hospitals, the bone marrow donor registry and anything where an international requirement exists.
- Major capital replacements – the planning for the change of the existing ageing apheresis machines across the collection network is well advanced with state of art Aurora apheresis machines the selected replacement. The Aurora is a Fresenius machine which was recently introduced across the Lifeblood Australia collection network.

FINANCIAL MONITORING BY QUARTER
Review Period: Quarter 4: 1 April 2023 – 30 June 2023

Target Set 2022/23	Historical Trend Line						Actual FY 2022/23	
	FY20	FY21	FY22	Budget \$		Qtr \$	YTD \$	
Revenue of \$178.19m	\$141.57m	\$163.26m	\$173.86m	Q1	\$3,203k	Q1	\$2,748k	
Expenses of \$175.31m	\$146.42	\$160.52m	\$176.22m	Q2	(\$40k)	Q2	(\$2,273k)	\$475k
Surplus of \$920k	(\$4.85m)	\$2.74m	(\$2.36m)	Q3	\$1,117k	Q3	(\$2,030k)	(\$1,155k)
Price Rebates Paid	No Price Rebate Paid	No Price Rebate Paid	No Price Rebate Paid	Q4	(\$1,611)	Q4	(\$1,484k)	(\$3,039k)
				FY23	\$2,669k	FY23	(\$534)*	

Quarter 4: Quarter 4 saw revenues of \$52.86m versus a budget of \$51.68m. This represented a 2.3% lift over budget driven primarily by the primary drivers, Red cells and Immunoglobulin product demand. This increase in revenues saw a lift in gross margin of +\$565k as compared to budget.

The key contributors to the quarter's result as compared to budget are commented upon as follows:

- Inventory adjustments in the quarter totalled +\$6.25m the majority of which was represented by fractionated manufacturing gains of +\$6.1m.
- Operational expenditure in the quarter totalled \$47.80m (Q3 \$43.14m), this figure incorporating labour, consumables, distribution costs and general overhead expenditure as well as the costs of ODNZ and NZBMDR operations.

As previously forecast the variance to Budget is growing (-\$5.71m) due to unfavourable; labour costs (-\$1.77m), consumables (-\$891k), NZBMDR costs (608k), general overheads (-\$1.63mk;) offset with favourable Interest and capital charge +\$666k.

- The lift in Sundry income reflects the increase in interest earned from term deposits along with the income received for NZBMDR activities. However these increases were offset by a budgeted Holiday Act remediation payment of \$2.0m that did not eventuate.
- Property related development expenses reflect the major infrastructure redevelopment programme now well underway with costs in the quarter totalling \$760k (Q3 \$485k) versus a \$400k budget.

The 'live' major site developments currently comprise Stage 3 Phase 1 of the Auckland hub facility, Highbrook satellite site focused on Stage 1 execution, Waikato Hub facility with donor centre opening 14 August and a new Tauranga donor centre which must be operational prior to 31 March 2024.

*** Actual Full Year Result:** The fourth quarter result rounded out the 2022/23 financial year with a reported deficit of -\$3.04m. Positively, the full year result delivered a positive operational earnings figure of \$269k. However adverse unrealised foreign exchange earnings of -\$1.09m (marking to market) combined with Infrastructure development expenditures of \$2.11m produced the reported deficit.

Summary of June Quarter - Q4 - 2022/23 Financial Performance					Full Year	2022/23
Heading	Actual	Budget	Variance		Budget	Forecast
(xx) = Unfavourable	\$000's	\$000's	\$000's	%	\$000's	\$000's
Gross Revenues	52,859	51,679	1,181	2.3%	200,202	200,613
Product Margin	15,885	15,320	565	3.7%	61,194	61,019
Total Expenditure within P&L	(47,802)	(42,097)	(5,706)	(13.6%)	(162,772)	(166,680)
Inventory Adjustments	6,249	627	5,623	897.1%	11,182	14,871
Production Recoveries	22,933	22,188	745	3.4%	90,847	91,525
Product Expiry	(1,393)	(712)	(681)	(95.7%)	(2,861)	(3,055)
Other Income & Interest Earned	2,470	2,845	(375)	13.2%	5,380	4,709
Foreign Exchange - Realised	180	383	(202)	-	1,771	1,062
Operational Earnings	(1,477)	(1,446)	(31)	2.1%	4,741	3,451
Non Operating Costs						
- Premises Rental Accrued	364	(154)	518	335.8%	(617)	(620)
- Property Redevelopment Expenses	(760)	(400)	(360)	(90.0%)	(1,600)	(1,600)
- Unrealised Forex Movement	390	389	0	(0.0%)	145	(1,765)
Reported (Deficit)/Surplus for Quarter	(1,484)	(1,611)	127	(7.9%)	2,669	(534)

FINANCIAL REPORTING

Manatu Hauora – Financial Forecast Template – 2022/23 – June Quarter 2023

Financial Forecast Template Entity: NZBOS		Select from list]	As at: Jun-23					
			Full year Forecast vs Plan				Explanations - required for variances > 5%	
YTD Actual \$000	YTD Plan \$000	YTD Variance \$000	Forecast \$000	Plan \$000	Variance \$000	Variance %		
Revenue - usual signage positive								
Funding	2,306	2,197	109	2,197	2,197	0	0%	
Contracts with other parties			0			0	0%	
Revenue from DHB's	197,889	194,822	3,067	194,907	194,822	85	0%	
Other Revenue	3,223	2,838	385	2,512	2,838	(326)	-11%	Holidays Act reimbursement deferred to FY24
Total Revenue	203,418	199,857	3,562	199,616	199,857	(241)	(0)	
Expenditure - usual signage negative								
Personnel	69,739	80,011	(10,273)	83,421	80,011	3,410	4%	
Programme expenditure			0			0	0%	
Overheads including infrastructure	44,608	38,794	5,814	40,399	38,794	1,606	4%	
Other expenditure	92,112	78,383	13,729	76,330	78,383	(2,053)	-3%	
Total Expenditure	206,458	197,188	9,270	200,150	197,188	2,962		
Surplus / deficit	(3,039)	2,669	(5,709)	(534)	2,669	(3,204)	-120%	
Capital & Cash								
Capital Expenditure	20,379	43,250	22,871	20,000	43,250	23,250	54%	Deferral of the Highbrook build. Cash flows expected to pick up towards the end of FY23.
Equity	102,726	105,231	(2,505)	105,231	105,231	0	0%	
Cash	4,527	3,143	1,384	1,554	3,143	(1,589)	-51%	More cash invested in term deposits.
YTD Staffing - Full Time Equivalents	801.3	813.4	12.1	814.7	813.4	-1.3	0%	

Please note: The Budgeted surplus of \$2.67m is an updated Budget that reflects the shift from debt funding to equity funding signalled in December 2022 with receipt of a \$60.0m equity injection. The updated Budget compares to the original budgeted surplus of \$920k.