

Hon David Cunliffe

MP for New Lynn

Minister of Health

Minister for Communications and Information Technology

20 February 2008

The Chairman
Hawke's Bay District Health Board

Fax: (06) 878 1648

Dear Sir

I have become seriously dissatisfied with the performance of the Board of the Hawke's Bay District Health Board.

The reasons for this include:

1. Rapidly deteriorating financial performance: The DHB has in the year to date a \$3m deficit (a variance of \$3.5m against budget). The February board papers predict a year-end deficit of \$7.7m (\$7.7 negative to a planned break-even). I am also concerned to note that the Chair of the Board, is reported in the Dominion Post of 13 February 2008 saying "It was never a realistic goal to cut \$5m from the Board's costs, but it had factored that expectation into its budget simply to get sign off from the Health Minister".
2. My increasing lack of confidence in the Board's integrity, by publicly challenging me as Minister and by using the media to advance the personal agenda of Board members.
3. Dysfunctional relationships between the Board and myself as Minister and the Board and management, which are impacting on the Board's performance.
4. My concerns about the Auditor-General's report of 28 January 2008 into the DHB. I read that report as reflecting poorly upon the Board.

These concerns have led to my consideration of urgent action, in the public interest and to maintain the highest possible standard of confidence in public health services in the Hawke's Bay region.

I am considering appointing a Commissioner under s31(1) of the New Zealand Public Health and Disability Act 2000.

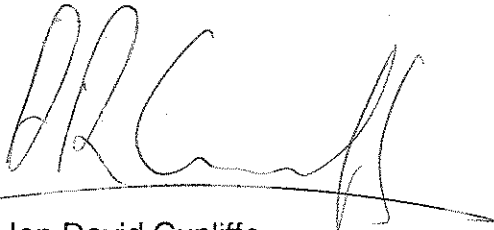
I will make my final decision on Wednesday 27 February 2008. However, I wish to provide you with an opportunity to respond before I make any final decision.

You have until 1pm Tuesday 26 February 2008 to provide a response, in writing, direct to me. Because of the seriousness of my concerns I will not be able to delay making a decision. Accordingly I will not grant any extensions of the time to respond.

To ensure the integrity of this process, I ask that you do not make public comment on the process or the submissions you make until I have had time to consider your response and make my final decision.

If there is any further, deterioration of the situation that compounds my concerns, I reserve the right to move earlier than Wednesday 27 February.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Cunliffe', written over a horizontal line.

Hon David Cunliffe
Minister of Health