



## Central Lakes Trust

**For General Media Release**

**22 March 2005**

### **Central Lakes Trust approves major grant to Dunstan Hospital Fit-out**

The Central Lakes Trust has approved a grant of \$2 million to Central Otago Health (Inc) to assist with the fit-out of the new Dunstan Hospital.

Government funding of just under \$8 million is being provided for the building works through the Otago District Health Board, but Central Otago Health (Inc) has accepted responsibility for raising approximately \$2.4 million to fit out the building.

Central Otago Health (Inc) owns the entire shareholding of Central Otago Health Services Ltd, the company with which the District Health Board earlier this month entered into a 3-year contract for the provision of services in the region, including the operation of Dunstan Hospital. "This contract for the local company to provide the services was pivotal to the Trustees reaching their grant decision," said Trust Chairman, Peter Mead.

This is the largest grant made in the Central Lakes Trust's 4½-year history. Mr Mead commented, "the Trustees had never previously considered any project with more potential to reach every member of the Central Otago population than the Dunstan Hospital redevelopment."

Prior to making the grant Mr Mead said, "the Trustees had very carefully taken stock of why the development was not being fully funded by the Government. The reality was that the cost of the project was way beyond the District Health Board's ability to fund from its Government bulk capital allocation without cutting back its funding in other areas. The Board has only been able to fund the building development, without deferring other capital projects, by receiving an unusual interest free loan from the Government".

Some years ago an upgrade of the present Dunstan Hospital was discussed with the Trust, said Mr Mead. "That scenario envisaged inputs of \$2m from the Government and \$1m from the Central Lakes Trust. The ultimate decision by the District Health Board to go for a first class facility that has inputs of almost \$8 million from the Government and \$2.4 million from the local community may not be perfect, but is a very good deal for the people of this region".

The grant made to Central Otago Health Inc protects the local ownership of effectively everything inside the building. “Nothing can be taken out of Dunstan Hospital unless Central Otago Health Inc agrees,” added Mr Mead.

A grant of \$2 million still left Central Otago Health Inc with the task of finding about \$400,000. “There are other funders yet to be formally approached who should support this much needed facility. Their support along with the community’s generosity and commitment to The Friends of Dunstan Hospital, which effectively is Central Otago Health Inc’s funding associate, makes the goal now very attainable. The Central Lakes Trustees are confident that a grant of this size provides a good foundation for sourcing further contributions”.

This grant brings the total amount granted by the Central Lakes Trust in 2004/05 to just under \$7 million, which is significantly more than the Trust has granted in any previous year. The total grants made by the Trust in 2003/04 of \$5.3 million was the previous maximum. Mr Mead noted that the Trust’s investments had achieved a good return in 2004/05, although the final result would not be known until after the end of the financial year on 31 March 2005.

**Ends**

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