To: Hon Peter Malinauskas M.L.C.
   Minister for Health
   Minister for Mental Health and Substance Abuse

This annual report is presented to Parliament to meet the statutory reporting requirements of the Public Sector Act 2009, the Public Finance and Audit Act 1987 and the Health Care Act 2008 and meets the requirements of Premier and Cabinet Circular PC013 Annual Reporting.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Northern Adelaide Local Health Network by:

Jackie Hanson
Chief Executive Officer

Signature [Signature]

Date 29/9/17
Contents

Section A: Reporting required under the Public Sector Act 2009, the Public Sector Regulations 2010 and the Public Finance and Audit Act 1987 .......... 4

Agency purpose or role ........................................................................................................................................... 4
Objectives .............................................................................................................................................................. 4
Key strategies and their relationship to SA Government objectives .............................................................................. 5
Agency programs and initiatives and their effectiveness and efficiency ................................................................. 5
Legislation administered by the agency .................................................................................................................. 7
Organisation of the agency ..................................................................................................................................... 7
Other agencies related to this agency (within the Minister’s area/s of responsibility) .............................................. 8
Employment opportunity programs ...................................................................................................................... 8
Agency performance management and development systems .................................................................................. 8
Occupational health, safety and rehabilitation programs of the agency and their effectiveness .................................................. 9
Fraud detected in the agency .................................................................................................................................... 11
Strategies implemented to control and prevent fraud ............................................................................................ 11
Whistle-blowers’ disclosure ..................................................................................................................................... 11
Executive employment in the agency .................................................................................................................... 11
Consultants ............................................................................................................................................................ 12
Financial performance of the agency .................................................................................................................... 13
Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions ........................................................................................................... 13

Section B: Reporting required under any other act or regulation 15

Reporting required under the Carers’ Recognition Act 2005 ............................................................................... 15

Section C: Reporting of public complaints as requested by the Ombudsman. 16

Summary of complaints by subject ........................................................................................................................ 16
Complaint outcomes .................................................................................................................................................. 16

Appendix: Audited financial statements 2016-17 17
Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

**Agency purpose or role**

Northern Adelaide Local Health Network (NALHN) provides acute and community health services for around 398,000 people living in the northern metropolitan area of Adelaide as well as providing tertiary services to a wider catchment area. The northern area of Adelaide is currently the highest population growth area in SA. This will mean that by 2026 it is expected a quarter of the state’s population will live in the northern metropolitan catchment area.

NALHN comprises two hospital sites. Lyell McEwin Hospital (LMH) is developing into a major adult tertiary hospital, whilst Modbury Hospital (MOD) is developing as a centre for elective surgery and subacute including; rehabilitation, palliative care and older people’s services; with an Emergency Department (ED), and Short Stay General Medicine Unit (SSGMU) on site. Other specialty services to continue to be provided by NALHN include GP Plus Health Care Centres and a Super Clinic, four dedicated Aboriginal healthcare sites, and a satellite dialysis centre. Mental health services are provided across community and hospital settings in NALHN, including adult and older persons and forensic services.

Looking forward, acute service changes within NALHN will result in the provision of more complex services to residents in the north, including the refocus of the LMH to become one of the three major adult tertiary hospitals in South Australia. The realignment of acute services and activity between the Central Adelaide Local Health Network (CALHN) and NALHN will increase the self-sufficiency of NALHN to at least 80% and provide better access to care for residents in the north.

**Objectives**

- To expand services to provide an increased level of health and wellbeing for residents in the north and north east.
- Continued development of NALHN’s highly skilled and valued workforce.
- A continued commitment to patient safety and quality improvement activity across NALHN.
- A strong commitment to high quality research acknowledging the valuable contribution to improving patient care and attracting leaders in the field to NALHN.
### Key strategies and their relationship to SA Government objectives

<table>
<thead>
<tr>
<th>Key strategy</th>
<th>SA Government objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build NALHN’s Capacity and Self Sufficiency by increasing service levels and developing new services in the north and north-east.</td>
<td>Delivering Transforming Health – Our Next Steps. Strategic Plan Target 84 – Health Service Standard.</td>
</tr>
<tr>
<td>Commitment to patient safety and quality improvement activity across NALHN by implementing safety and quality policies and initiatives.</td>
<td>Delivering Transforming Health – Our Next Steps. Strategic Plan Target 84 – Health Service Standard.</td>
</tr>
<tr>
<td>Improving Aboriginal Health by developing and launching measurable Aboriginal Health and Reconciliation Action Plans.</td>
<td>Strategic Plan Target 79 – Aboriginal Life Expectancy.</td>
</tr>
<tr>
<td>Developing and supporting our workforce to deliver quality care by giving them the right tools.</td>
<td>Strategic Plan Target 32 – Customer and Client Satisfaction with Government Services.</td>
</tr>
<tr>
<td>Increase NALHN’s research and fundraising capabilities and activities.</td>
<td>Strategic Plan Target 96 – Public Research Expenditure.</td>
</tr>
</tbody>
</table>

### Agency programs and initiatives and their effectiveness and efficiency

<table>
<thead>
<tr>
<th>Program name</th>
<th>Indicators of performance/effectiveness/efficiency</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Central Adelaide Local Health Network (CALHN) to NALHN Transfers. | • CALHN to NALHN Rehabilitation Transfer Completed, resulting in new and expanded services.  
• Opened Modbury Hospital Rehabilitation Centre.  
• Orthopaedics, vascular and renal transfer completed.  
• Second CT Scanner installed at LMH.  
• Second cardiac catheter lab established at LMH. | The transfer of services from CALHN to NALHN has enabled patients living in the north and north-east to receive their care closer to home. The transfer has also enabled the Lyell McEwin Hospital to develop into the major adult tertiary hospital for the north as planned, supported by Modbury Hospital as a centre for elective surgery, rehabilitation and sub-acute services. |
<table>
<thead>
<tr>
<th>Program name</th>
<th>Indicators of performance/effectiveness/efficiency</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Protection Service.</td>
<td>• The establishment of a Child Projection Service Unit at the Lyell McEwin Hospital.</td>
<td>As a result of Commissioner Nyland’s recommendations, a Child Protection Unit was established at Lyell McEwin Hospital to address the critical need for hospital-based child protection services in the North.</td>
</tr>
<tr>
<td>State-wide Models of Care.</td>
<td>• The implementation of patient centred models of care across NALHN for stroke, rehabilitation, chest pain, orthogeriatric, and after hours.</td>
<td>The rolling out of statewide models of care across NALHN has improved safety and quality.</td>
</tr>
<tr>
<td>Healthcare Standards Accreditation</td>
<td>• In April 2017, the Australian Council on Healthcare Standards awarded four years accreditation to the Northern Adelaide Local Health Network.</td>
<td>Accreditation is public recognition of achievement of accreditation standards by NALHN, demonstrated through an independent external peer assessment of NALHN’s level of performance against the standards.</td>
</tr>
</tbody>
</table>
| Safety and Quality Program.  | • Implementation of Resuscitation Planning - 7 step pathway Policy Directive  
• Implementation of Challenging Behaviour Policy Directive  
• Reducing Restrictive Practice                                                                                                                                                                                                                          | The implementation of the safety and quality initiatives is assisting NALHN in achieving and delivering the highest possible standards of quality care to all our patients. |
| Aboriginal Health            | • The completion and reporting against NALHN’s Aboriginal Primary Health Plan 2014-216.  
• The development and launch of NALHN’s new Reconciliation Action Plan.  
• The development and launch of NALHN’s new Aboriginal Health Operational Plan, which replaces NALHN’s Aboriginal Primary Health Plan 2014-2016.                                                                                  | These Plans ensure NALHN’s health care services cater to the needs of South Australia’s diverse Aboriginal population.                                                                                       |
<table>
<thead>
<tr>
<th>Program name</th>
<th>Indicators of performance/effectiveness/efficiency</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>White Ribbon</td>
<td>• Achievement of White Ribbon Workplace Accreditation.</td>
<td>NALHN achieved White Ribbon Workplace Accreditation in 2016-17, and was commended for its outstanding achievement status for external communication and ensuring contractors understand and practise respectful behaviours.</td>
</tr>
<tr>
<td>Hospital Research Foundation Partnership</td>
<td>• Formalisation of a partnership with the Hospital Research Foundation including a NALHN onsite fund raising presence.</td>
<td>The Hospital Research Foundation Partnership will provide vital support for NALHN by funding, health medical research and improved patient care.</td>
</tr>
</tbody>
</table>

**Legislation administered by the agency**

None.

**Organisation of the agency**

- Office of the Chief Executive Officer
- Human Resources
- Finance
- Corporate Services
- Clinical
  - Critical Care Division
  - Medical Sub Specialties Division
  - Surgical Sub Specialties Division
  - Women’s and Children’s Division
  - Aged Care, Rehabilitation and Palliative Care Division
  - Mental Health Division
Other agencies related to this agency (within the Minister’s area/s of responsibility)

Department for Health and Ageing
Central Adelaide Local Health Network
Southern Adelaide Local Health Network
Country Health SA Local Health Network
South Australian Ambulance Service
Northern Adelaide Local Health Network Governing Council
Office of the Ageing

Employment opportunity programs

<table>
<thead>
<tr>
<th>Program name</th>
<th>Result of the program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs 4 Youth</td>
<td>Recruitment of four Jobs 4 Youth Graduates</td>
</tr>
</tbody>
</table>

Agency performance management and development systems

<table>
<thead>
<tr>
<th>Performance management and development system</th>
<th>Assessment of effectiveness and efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documented Review of Individual Performance Management</td>
<td>• Formal Review of Individual Performance Management within 6 months – 12.5%</td>
</tr>
<tr>
<td></td>
<td>• Formal Review of Individual Performance Management older than 6 months – 60.8%</td>
</tr>
<tr>
<td></td>
<td>• No Documented Formal review of Individual Performance Management – 26.6%</td>
</tr>
<tr>
<td>Leading Health Transformation Program, a key enabler for Transforming Health to build the leadership capabilities needed for successful health care transformation now and for the future.</td>
<td>• 20 participants.</td>
</tr>
<tr>
<td></td>
<td>• Effectiveness not yet assessed.</td>
</tr>
</tbody>
</table>
### Occupational health, safety and rehabilitation programs of the agency and their effectiveness

<table>
<thead>
<tr>
<th>Occupational health, safety and rehabilitation programs</th>
<th>Effectiveness</th>
</tr>
</thead>
</table>
| Governance, Accountability and Communication          | • NALHN has an established governance structure and escalation process for Work, Health, Safety and Injury Management issues.  
• Divisional management, NALHN Performance and Risk, and WHS Consultative Committees all monitor and review all WHSIM matters to ensure management commitment to staff safety and wellbeing.  
• The WHS Consultative Committee membership was reviewed in 2016-17 following low attendance and member resignations, which initiated a call for new members to increase participation and attendance. New member inductions will commence in 2017/18.  
• In 2016/17 NALHN achieved a 3 percent improvement to the WHS Defined Officer induction training rate for executives and senior managers over this financial year (94% in 2016-17 v 91% in 2015-16). |

| Hazard Identification and Risk Management              | • 374 hazards were reported via the Safety Learning System (SLS) in 2016-17 (23 percent reduction from the 2015-16 total number of hazard reports).  
• Risk treatment plans and risk assessments are undertaken locally to resolve emerging WHSIM risks.  
• A number of pre-occupational site safety inspections at newly developed areas across NALHN sites (e.g. Northgate House, Specialist Ambulatory and Rehabilitation Centre).  
There was a 48 percent increase in the number of formal WHS risk assessment reports published for NALHN senior management (25 in 2016-17 vs 13 in 2015-16). |
<table>
<thead>
<tr>
<th>Occupational health, safety and rehabilitation programs</th>
<th>Effectiveness</th>
</tr>
</thead>
</table>
| Incident Reporting and Investigation                    | • A total of 1477 incidents were reported via SLS in 2016-17 across NALHN.  
• 89% of incidents were reported on the same day the incident occurred.  
• There were 10 notifiable incidents reported to the regulator, SafeWork SA.  
• 9 of 10 incidents were deemed dangerous occurrences due to electric shocks, with one incident being lodged for a serious injury caused from a fall due to a slip on a wet surface.  
• NALHN was issued 2 improvement notices by SafeWork SA relating to patient overcrowding and the impact on staff health and safety.  
• All notifiable incidents and improvement notices were thoroughly investigated, and appropriate actions and controls were undertaken to mitigate risks to NALHN’s workforce and consumers.  
• All SafeWork Improvement Notices were resolved and sign off with closure of all other notifiable incidents. |
| Fitness for Work                                         | • Over 3,800 workers participated in the annual NALHN staff vaccination program.  
• 983 high risk clinical health workers in NALHN received respiratory fit tests.  
• The promotion and awareness of Manual Task Local Facilitators has had a significant positive impact in reducing the severity of musculoskeletal injury claims.  
• NALHN uses the Job Analysis Management System (JAMS to assist with analysing job demands of various occupations, including nursing, medical and allied health and for developing return to work plans for workers sustaining work-related and non-work related injuries/illnesses. |
| Injury Management:                                       | • In 2016/17 NALHN had a 20% reduction in the number of new injury claims, as well as a 20% reduction in the number of time lost injury frequency rate in comparison with 2015/16.  
• The workers’ compensation savings achieved in 2016-17 met NALHN’s financial benefits realisation target, with a total cost saving of $701,939. |
Fraud detected in the agency

<table>
<thead>
<tr>
<th>Category/nature of fraud</th>
<th>Number of instances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil to report.</td>
<td>0</td>
</tr>
</tbody>
</table>

Strategies implemented to control and prevent fraud

The SA Health *Fraud and Corruption Control Policy Directive* and Plan aligns procedures for the identification and reporting of fraud and corruption with the South Australian *Public Sector Fraud and Corruption Control Policy* which was released in January 2016.


Whistle-blowers’ disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers’ Protection Act 1993* 0

Data for the past five years is available at: insert hyperlink to specific data.sa page and ensure data sources are referenced.

Executive employment in the agency

<table>
<thead>
<tr>
<th>Executive classification</th>
<th>Number of executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Level A</td>
<td>3</td>
</tr>
<tr>
<td>Executive Level B</td>
<td>1</td>
</tr>
<tr>
<td>SAES 1 Level</td>
<td>2</td>
</tr>
<tr>
<td>SAES 2 Level</td>
<td>1</td>
</tr>
</tbody>
</table>


For further information, the *Office for the Public Sector* has a *data dashboard* for further information on the breakdown of executive gender, salary and tenure by agency.
Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

<table>
<thead>
<tr>
<th>Consultants</th>
<th>Purpose</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>All consultancies below $10,000 each</td>
<td>Various consultancies for professional and other advice</td>
<td>$21,875</td>
</tr>
<tr>
<td><strong>Consultancies above $10,000 each</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carlos D Scheinkestel Pty Ltd</td>
<td>Undertake an external review of operations of the NALHN intensive care unit.</td>
<td>$73,212</td>
</tr>
<tr>
<td>Clinical Coding Services Pty Ltd</td>
<td>Undertake a clinical coding audit of activities at Lyell McEwin and Modbury Hospitals.</td>
<td>$44,509</td>
</tr>
<tr>
<td>Interface Consultants SA</td>
<td>Undertake a review of the culture of the NALHN intensive care unit.</td>
<td>$20,700</td>
</tr>
<tr>
<td>Governance Plus</td>
<td>Perform a mock accreditation survey across NALHN and the provision of an executive debrief and report.</td>
<td>$14,135</td>
</tr>
<tr>
<td>Pharmconsult Pty Ltd</td>
<td>Evaluate and report on the existing Pharmacy Services to NALHN Mental Health.</td>
<td>$13,965</td>
</tr>
<tr>
<td><strong>Total all consultancies</strong></td>
<td></td>
<td><strong>$188,396</strong></td>
</tr>
</tbody>
</table>


Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

**NALHN three-year financial summary**

<table>
<thead>
<tr>
<th>Three-year financial summary ($000)</th>
<th>2016–17</th>
<th>%</th>
<th>2015–16</th>
<th>%</th>
<th>2014–15</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenses</td>
<td>616,501</td>
<td>↑1.3%</td>
<td>608,358</td>
<td>↑5.2%</td>
<td>578,345</td>
<td>↓1.8%</td>
</tr>
<tr>
<td>Total income</td>
<td>33,773</td>
<td>↑5.4%</td>
<td>32,041</td>
<td>↓10.8%</td>
<td>35,939</td>
<td>↓24.2%</td>
</tr>
<tr>
<td>Net cost of providing services</td>
<td>582,728</td>
<td>↑1.1%</td>
<td>576,317</td>
<td>↑6.3%</td>
<td>542,406</td>
<td>↑0.2%</td>
</tr>
<tr>
<td>Revenues from/Payments to SA Government</td>
<td>571,630</td>
<td>↑1.4%</td>
<td>563,479</td>
<td>↑2.8%</td>
<td>548,306</td>
<td>↑0.1%</td>
</tr>
<tr>
<td>Net result for the period</td>
<td>(11,098)</td>
<td>↓13.6%</td>
<td>(12,838)</td>
<td>↓317.6%</td>
<td>5,900</td>
<td>↓21.8%</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>23,090</td>
<td>↑479.7%</td>
<td>3,983</td>
<td>↓64.5%</td>
<td>11,225</td>
<td>↑54.1%</td>
</tr>
<tr>
<td>Total assets</td>
<td>469,556</td>
<td>↓1.3%</td>
<td>475,890</td>
<td>↓1.0%</td>
<td>480,587</td>
<td>↓2.8%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>146,676</td>
<td>↑4.4%</td>
<td>140,451</td>
<td>↑6.8%</td>
<td>131,559</td>
<td>↑11.3%</td>
</tr>
<tr>
<td>Net assets</td>
<td>322,880</td>
<td>↓3.7%</td>
<td>335,439</td>
<td>↓3.9%</td>
<td>349,028</td>
<td>↓0.0%</td>
</tr>
</tbody>
</table>

**Expenses by category 2016–17**
- Staff benefit expenses ($414m)
- Supplies and services ($173m)
- Depreciation and amortisation expense ($27m)
- Other expenses ($3m)

**Revenue by category 2016–17**
- Revenue from fees and charges ($26m)
- Grants and contributions ($5m)
- Resources received free of charge ($1m)
- Other revenue ($4m)

Other financial information

Nil to report.

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Older Persons' Mental Health Service

On 20 December 2016, the Chief Executive Officer of the Northern Adelaide Local Health Network requested that the Chief Psychiatrist undertake an external independent review of the Oakden campus, consisting of Makk and McLeay Nursing Home and Clements Ward.

The Review, which was delivered on 10 April 2017, identified deficits in the quality of the Oakden Campus services and recommended comprehensive service reform and relocation of services.

Following the Review, the Makk and McLeay Nursing Home at Oakden closed on 4 June 2017, with 14 residents transitioned to Northgate House.
A working group was established in June 2017 to oversee the implementation of the Chief Psychiatrist’s six recommendations. The Oversight Committee, led by Dr Tom Stubbs, consists of a wide range of clinical experts and senior staff within SA Health. Its membership also includes non-government advocacy groups, statutory officers and people with lived experience of mental illness. The Oversight Committee is being supported by six expert working panels.

The Government has committed $13.7 million for the construction of a new older persons’ mental health facility. A further $1 million has been committed to support the development of a specialised contemporary model of care and longer term service planning for older public patients who suffer from severe forms of disabling mental illness and those with extreme behavioural and psychological manifestations of dementia.

The Oversight Committee will finalise a Model of Care by October 2017. Once that has been established, plans will get underway to establish the requirements for a new facility.

Since the Commissioning of the Review, every effort has been made to ensure the past practices at the Makk and McLeay Nursing home are not repeated, and best practice initiatives have been embedded resulting in significant reduction of falls and medication incidents, and Northgate House has no mechanical restraint.
Section B: Reporting required under any other act or regulation

None.

Reporting required under the Carers’ Recognition Act 2005

The Carers’ Recognition Act is deemed applicable for the following: Department for Communities and Social Inclusion, Department for Education and Child Development, Department for Health and Ageing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person’s or body’s compliance or non-compliance with section 6.

NALHN recognises the critical role of family and friends who are carers for people receiving care and treatment in our health services. Our staff are mindful of the importance of working in partnership with carers, in keeping with the South Australian Carers Charter. Carers are recognised and valued for their contribution to the community, bringing insight because of their experience and knowledge.

We acknowledge the relationship between the carer and the person they care for, which is to be respected and honoured. Our staff also need to be mindful of the needs of carers themselves.

NALHN aims to include carers in the assessment, planning, delivery and review of services that impact on them and their role as carers. The views and needs of carers are taken into account along with those of the people receiving care when decisions are made that impact on carers and role of carers.

Mental health carer consultants also work individually with carers of consumers with a mental health diagnosis to provide support and educate them about on mental health and the mental health system through written information and their own experience as a carer. Carer Consultants also coordinated information sessions within the unit for families and carers and are involved with the clinical team in family meetings. Within this role Carer Consultants are available to carers during an inpatient admission. They provided information and referrals to other services that support carers and assisted the carer through the treatment pathway in the acute care phase while working collaboratively within the multidisciplinary health care team.
Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

A whole of SA Health response is provided in the Department for Health and Ageing 2016-17 Annual Report, which can be accessed on the SA Health website.

Complaint outcomes

A whole of SA Health response is provided in the Department for Health and Ageing 2016-17 Annual Report, which can be accessed on the SA Health website.
Appendix: Audited financial statements 2016-17