



Ref: HA-2024-0000655

Anna McFadgen
Chief Executive Officer, St Vincent's Health Network SCHN

By email [REDACTED]

Re: Response to St Vincent's Health Network Financial Support 2023-24

Dear Anna

Thank you for your letter dated 19 February 2024 outlining St Vincent's Hospital Network's efficiency improvement program, planned Recovery Plan and request for financial support from the final quarter of 2023-24.

Having carefully reviewed the Network's proposed initiatives aimed at reducing future costs, the Ministry is prepared to provide an additional subsidy of \$30 million (one off) towards supporting these efforts in the current fiscal year. In doing so the Ministry expects that St Vincent's Health Australia (SVHA) will contribute toward this program of work in various aspects around the Recovery Plan, structural reforms and innovation whilst balancing Group needs with NSW health system opportunities to advance long term sustainability.

It is a condition of this payment that:

- the financial support provided will facilitate the realisation of the anticipated savings.
- a Financial Recovery Plan developed by SVHN and approved by SVHA will be submitted to the Ministry by end of March 2024 that clearly articulates the cashflow of future savings.
- transparent and itemised information in respect to St Vincent's Health Network's financial performance and cashflow on a monthly basis to NSW Health Deputy Secretary Financial Services and Asset Management and CFO. Details should include performance on efficiency strategies and Recovery Plan, charges imposed by the SVHA Group or other Group Entities, Other Income Received, income and expenditure transfers with Restricted Financial Assets and transactions with the Trustees of St Vincent's Hospital.
- sufficient progress is made with initiatives that will lead to a corresponding \$30 million amount recouped by the Ministry across 2024-25 from the 2024-25 Service Agreement subsidy.

Please inform us of your decision regarding this offer before **29 February 2024**.

If you have any other questions, please contact Alfa D'Amato, Deputy Secretary, Financial Services and Asset Management and CFO at [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read "Susan Pearce".

Susan Pearce AM
Secretary, NSW Health

28/2/24