



**ST VINCENT'S
HOSPITAL**
SYDNEY

A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

AM-21

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15 November 2023

Ms Susan Pearce AM
Secretary
New South Wales Health
St Leonard's NSW 2030

Dear Ms Pearce, *Susan*

**New South Wales (NSW) Ministry of Health 2023-2024 Service Level Agreement
with St Vincent's Hospital Sydney Limited**

Thank you for providing the 2023-2024 Service Level Agreement (SLA) for the period 1 July 2023 to 30 June 2024 for St Vincent's Health Network. I acknowledge that this Agreement reflects the strategic priorities set out in the Future Health Strategic Framework and sets out performance accountabilities for health services.

Nevertheless, I write with some concern about the ongoing sustainability of St Vincent's Health Network's (SVHN) provision of health services under the proposed SLA.

As you know, SVHN provides 2.5% of the State's activity, including 40,000 hospital admissions, 50,000 emergency presentations, and 1.4 million occasions of service for the people of NSW each year (including patients from rural and regional health districts). These health services are core to our mission and our commitment to the community of NSW and the vulnerable groups we serve. I am concerned the funding arrangements set out in the 2023-24 SLA, notably the absence of any material capital funding to enable investment in facilities, infrastructure and equipment, puts the continued provision of SVHN's invaluable service to the State at risk.

In order to achieve the agreed level of service and continue to deliver on our mission, SVHN has commenced a comprehensive program of efficiency and savings initiatives. Despite these efforts, our financial modelling (based on the 2023-24 SLA) forecasts a material budget deficit for the financial year, with cash constraints becoming a key risk from early 2024.

As in previous years, SVHN will continue to actively seek substantive philanthropic support to support delivery of core services – an activity with which we have become quite adept over the years.

SVHN recognises the broader State fiscal environment is heavily constrained and is committed to working with NSW Health to collectively solve the challenges facing the healthcare sector now, and into the future. We also commit to providing NSW Health with early visibility on financial trajectories so that any risk to public service provision and continuity of patient care can be collaboratively mitigated. To this end, I welcome the opportunity to work with NSW Health to prepare a proposal for Government for SVHN's inclusion in the Statewide Single Digital Patient Record.

Despite these risks, we have decided to proceed with the 2023-24 SLA. We do so in the spirit of our longstanding partnership. However, to foster transparency and facilitate our ongoing collaboration, I kindly request your support to enter into a formal review of the funding arrangements of SVHN. This very necessary work will help us to explore how best to ensure the ongoing sustainable provision of SVHN's important service to the state.

I look forward to hearing from you and to further discussions on this important matter.

Yours sincerely



Anna McFadgen
Chief Executive Officer
St Vincent's Health Network Sydney