



**ST VINCENT'S
HOSPITAL**
SYDNEY

A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

St Vincent's Hospital Sydney Limited
ABN 77 054 038 872

7 March 2024

Ms Susan Pearce AM
Secretary, NSW Health
1 Reserve Road,
St Leonards, NSW 2065

BY EMAIL: [REDACTED]

Dear Ms Pearce *Susan*

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

Thank you for your letter of 28 February 2024 regarding St Vincent's Health Network's (SVHN) request for financial support in 2023-24. SVHN remains committed to its partnership with the NSW Ministry of Health in the provision of financially sustainable, world-class health services for the community.

Noting the urgency of the situation and the importance of ensuring sufficient funds are available to meet payroll obligations in April, SVHN accepts the Ministry's offer to provide an additional one-off subsidy of \$30 million and acknowledges the conditions of payment outlined in your correspondence.

The \$30 million additional subsidy enables SVHN to meet cash requirements for the remainder of the 2023-24 financial year, based on a revised cash forecast that reflects the phasing of efficiency improvement initiatives as well as known expenses and revenue over the remainder of the financial year.

To balance its budget in 2023-24 and beyond, SVHN will need to commence a program of reduced activity and workforce reductions that will require consultation with industrial bodies and other interested stakeholders. This will need to take place no later than 1 April 2024. We will provide further details regarding this proposed program of work in our Three-Year Financial Recovery Plan once the Plan is approved by the St Vincent's Health Australia (SVHA) Board.

I also refer to our Chair, Paul McClintock's, letter to you late last year setting out the SVHA Board's concerns regarding the parameters of the current service level agreement, particularly the absence of capital funding. It would be remiss of me if I did not share with you my concern that the conditional recoupment of the \$30 million additional subsidy from the 2024-25 Service Level Agreement subsidy does not support the long-term financial sustainability of SVHN. In his letter Mr McClintock

requested that discussions to address a different approach to our partnership be scheduled for early 2024, allowing sufficient time for these discussions to be completed before the commencement of the 2024-25 financial year. SVHN looks forward to the commencement of these important discussions.

Thank you for your ongoing support and assistance of SVHN in its delivery of health services to the people of New South Wales.

Yours sincerely



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