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# 2025-29 Service Agreement

An Agreement between the Secretary, NSW Health  
and St Vincent's Hospital Sydney Limited (St Vincent's Health  
Network)  
for the period 1 July 2025 to 30 June 2029

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# NSW Health 2025-29 Service Agreement

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## Principal purpose

The principal purpose of the Service Agreement (the Agreement) is to articulate the direction, responsibility and accountability across the NSW Health system for the delivery of high quality, effective healthcare services that promote, protect and maintain the health of the community, in keeping with NSW Government and NSW Health priorities.

The Funding and Performance Supplement sets out the service and performance expectations for funding and other support provided to St Vincent's Hospital Sydney Limited (ACN 054 038 872), to ensure the provision of equitable, safe, high quality and human-centred healthcare services by St Vincent's Health Network.

St Vincent's Hospital Sydney Limited, in relation to its recognised establishments, St Vincent's Hospital, Darlinghurst and Sacred Heart Health Service, Darlinghurst was declared by an order pursuant to section 62B of the *Health Services Act 1997* (NSW) to be recognised as the St Vincent's Health Network (referred to in this Agreement as "St Vincent's Health Network" or "Network" or "Organisation" or "St Vincent's Hospital Sydney Limited").

The *Health Services Act 1997* (NSW) allows the Health Secretary to enter into performance agreements with public health organisations including affiliated health organisations in relation to the provision of health services and health support services (s.126).

Through execution of the Agreement, the Secretary agrees to provide the funding and other support to the Organisation as outlined in the Agreement (including through the Funding and Performance Supplement which is entered into by the Secretary, NSW Health and the Organisation for each financial year during the term of the Agreement, and forms part of the Agreement).

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## Objectives

NSW Health's vision is for a sustainable health system that delivers outcomes that matter most to patients and the community, is personalised, equitable, invests in wellness and is digitally enabled.

To achieve this, the Service Agreement, and related Funding and Performance Supplements:

- Enable the organisation to deliver high quality, effective services that promote, protect and maintain the health of the community, and provide care and treatment to sick and injured people
- Promote accountability to Government and the community for service delivery and funding
- Contribute to health system performance monitoring and management to achieve NSW Health and Government goals and priorities
- Recognise that the needs of the population are not the same and all components of the system should strive to improve and drive equitable health outcomes
- Incorporate funding processes that target both allocative and operational efficiency
- Provide longer term funding certainty and investment flexibility with accountability mechanisms.

The Service Agreement also seeks to link budget to outcomes to achieve NSW Outcomes:

- People receive timely quality care in hospitals
- People receive timely quality care in the community
- People are supported to make the best decisions for their health
- People are enabled to lead healthy and active lifestyles


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## Parties to the agreement

### The Organisation

Mr Paul O'Sullivan  
Chair  
On behalf of the  
St Vincent's Hospital Sydney Limited Board

Date 17/8/2025

Signed ..... 

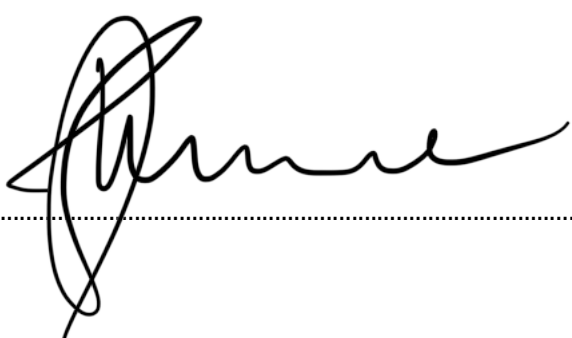
Ms Anna McFadgen  
Chief Executive Officer  
St Vincent's Health Network

Date 18.09.2025

Signed ..... 

### NSW Health

Ms Susan Pearce AM  
Secretary  
NSW Health

Date ..... 

Signed .....

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# 1 Legislation and governance

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## 1.1 Legislation

The *Health Services Act 1997* (the Act) provides a legislative framework for the public health system, including the recognition of affiliated health organisations. Under the Act St Vincent's Hospital Sydney Limited is an affiliated health organisation in respect of two recognised establishments and services: St Vincent's Hospital, Darlinghurst, and Sacred Heart Health Service, Darlinghurst. In respect of their recognised establishments, the affiliated health organisations are “public health organisations” as defined in the Act.

St Vincent's Hospital Sydney Limited is recognised as a network (St Vincent's Health Network) under the Act for the purposes of the National Health Reform Agreement.

Under the Act, the Health Secretary's functions include: to facilitate the achievement and maintenance of adequate standards of patient care within public hospitals and in relation to other services provided by the public health system, to facilitate the efficient and economic operation of the public health system, to provide governance, oversight and control of the public health system and the statutory health organisations within it, and to enter into performance agreements with public health organisations (s.122).

Under the Act, the Minister may attach conditions to the payment of any subsidy (or part of any subsidy) (s.127). As a condition of subsidy, all funding provided for specific purposes must be used for those purposes unless approved by the Health Secretary.

The *Health Services Act 1997* allows the Health Secretary to enter into performance agreements with Local Health Districts and affiliated health organisations (s.126).

### 1.1.1 Key recognitions

NSW Health acknowledges that St Vincent's Hospital Sydney Limited:

- is a company limited by guarantee, and its directors and officers have governance and compliance obligations under the *Corporations Act 2001* (Cth) and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth). The company and its directors and officers rely (in significant part) upon this Agreement and the Memorandum of Understanding (see Section 1.1.3 below) for the purposes of discharging these obligations, with respect to the services provided as a networked affiliated health organisation. This includes in relation to the company not becoming or trading while insolvent.
- operates as a subsidiary of St Vincent's Health Australia.
- through its recognised establishments operate facilities under the care and stewardship of Mary Aikenhead Ministries and is part of the healing ministry of the Catholic Church. The Network is committed to helping those in need in a way which is consistent with the expression of the mission of Mary Aikenhead Ministries.
- must (including in its the delivery of services and clinical planning) act in accordance with the Code of Ethical Standards for Catholic Health and Aged Care Services in Australia, the St Vincent's Health Australia Code of Conduct and operate under the vision, mission and ethical framework of Mary Aikenhead Ministries. The values currently described in the Code of Conduct are compassion, justice, integrity and excellence.

### 1.1.2 Other Organisational relationships

NSW Health also acknowledges that St Vincent's Hospital Sydney:

- has a key referral relationship with Murrumbidgee Local Health District, including via St Vincent's Private Community Hospital Griffith.

- operates St Vincent's Correctional Health at the Parklea Correctional Centre (PCC) through a relationship with Management & Training Corporation (MTC) and Corrections NSW, but it is not allocated activity or funding from the NSW Health under this Agreement. On 2 March 2025 the NSW Government announced it would cease its outsourcing model for PCC, ending the contract with MTC and returning PCC to public operation. This will result in the expiry and termination of the Organisation's Subcontract with MTC to deliver health services at PCC as at 30 September 2026.

### 1.1.3 Memorandum of Understanding

The NSW Ministry of Health and St Vincent's Hospital Sydney Limited entered into a Memorandum of Understanding commencing 1 July 2025 (MOU). Applying for a twelve year term, the MOU supersedes the Memorandum of Understanding entered into by the Minister for Health of the State of New South Wales, South Eastern Sydney Area Health Service, St Vincent's Hospital Sydney Limited and Sacred Heart Hospice Limited dated 11 March 2003.

The MOU documents the principles for the continuing partnership between the Ministry of Health and St Vincent's Hospital Sydney Limited as a networked affiliated health organisation, and documents the important roles and contributions each makes. The MOU is intended to apply alongside the Agreement.

The key principles of the MOU seek:

- To set out the commitment to a partnership and the principles that recognise and build on the longstanding collaboration between the Ministry of Health and St Vincent's Hospital Sydney Limited.
- To support each party to make long-term, strategic decisions regarding service provision and capital planning.
- To support the Network to deliver a range of clinically appropriate services, including designated statewide services, that meet the needs of the community and contributes to the teaching and research roles of the NSW public health system.
- To treat St Vincent's Hospital Sydney Limited in a manner consistent with Local Health Districts and Specialty Health Networks where it is valid to do so (noting certain principles and mechanisms apply to the Network under the MOU that differ from those applied to Local Health Districts and Specialty Health Networks).
- A continued high degree of integration between the Network and the wider public health system.

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## 1.2 Structure of the Service Agreements

The Agreement consists of the following:

- this document;
- any Funding and Performance Supplement executed between the Secretary, NSW Health and the Organisation for each financial year during the term of the Agreement; and
- any documents incorporated by reference.

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## 1.3 Variation of the agreement

The Agreement may be amended at any time by agreement in writing between the Organisation and the Ministry of Health.

The Agreement is also subject to the powers of the Minister under the Act, including the power to determine the role, functions and activities of any recognised establishment or recognised service of an affiliated health organisation (s. 65).

Any updates to finance or activity information further to the original contents of the Agreement and/or the Funding and Performance Supplement Agreements for each financial year during the term of the Agreement will be provided through separate documents that may be issued by the Ministry of Health in the course of the year and, will be incorporated into the Agreement by reference.

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## 1.4 Conditions of subsidy

The Organisation is required to comply with the various Conditions of Subsidy set out in the Financial Requirements and Conditions of Subsidy (Government Grants).

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## 1.5 National Agreement

The National Cabinet has reaffirmed the commitment of all Australian governments to providing universal healthcare for all Australians. This is enshrined in the 2020-2025 Addendum to the National Health Reform Agreement (NHRA), which has been extended by one year until 30 June 2026. The NHRA outlines the financial arrangements for Australian public hospital services.

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## 1.6 Governance

The Organisation must ensure that all applicable duties, obligations and accountabilities are understood and complied with, and that services are provided in a manner consistent with all NSW Health policies, procedures, plans, circulars, inter-agency agreements, Ministerial directives and other instruments and statutory obligations.

### 1.6.1 Clinical governance

NSW public health services are accredited against the National Safety and Quality Health Service Standards. The Organisation will complete a Safety and Quality Account inclusive of an annual attestation statement as outlined in the Standards (Version 2.0) by the 31 October each year. The Organisation must provide a copy of the annual Governing Body attestation statement, required by the Australian Commission on Safety and Quality in Health Care, to the NSW Ministry of Health by the 31 October each year.

The Australian Safety and Quality Framework for Health Care provides a set of guiding principles that can assist health services with their clinical governance obligations.

The NSW Health Clinical Governance in NSW policy (PD2024\_010) provides an important framework for improvements to clinical quality.

### 1.6.2 Corporate governance

The Organisation must ensure services are delivered in a manner consistent with the NSW Health Corporate Governance and Accountability Compendium.

### 1.6.3 Procurement governance

Where applicable, the Organisation's procurement of goods and services complies with NSW Health Procurement (Goods and Services) policy (PD2024\_044). Where possible, the Organisation also complies with procurement-connected policies including but not limited to the Aboriginal Procurement Policy and the Small and Medium Enterprise and Regional Procurement Policy.

### 1.6.4 Performance Framework

Service Agreements are a central component of the NSW Health Performance Framework which documents how the Ministry of Health monitors and assesses the performance of public sector health services to achieve expected service levels, financial performance, governance and other requirements.

## 2 Strategic context

The delivery of NSW Health strategies and priorities is the responsibility of the Ministry of Health, health services and support organisations. These are to be reflected in the strategic, operational and business plans of these entities.

It is recognised that the Organisation will identify and implement local priorities to meet the needs of their respective populations, taking into consideration alignment to the St Vincent's Health Australia 2030 Strategy and alignment with NSW Health core strategies: Future Health, Regional Health, Workforce Plan, and Aboriginal Health. In doing so, the Organisation will:

- Work together with clinical staff about key decisions, such as resource allocation and service planning.
- Engage in appropriate consultation with patients, carers and communities in the design and delivery of health services.

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### 2.1 Future Health Strategic Framework

The *Future Health: Strategic Framework* (the Strategic Framework) is the roadmap for how the health system will deliver services to achieve NSW Health's vision.

The Strategic Framework reflects the aspirations of the community, NSW Health's patients, workforce and partners in care for how they envisage our future health system. Future Health guides the delivery of care in NSW from 2022-32, while adapting to and addressing the demands and challenges facing the NSW Health system. There will be specific activities for the Ministry of Health, health services and support organisations to deliver as NSW Health implements the Strategic Framework, and services are required to align their strategic, operational and business plans with these Future Health directions.

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### 2.2 Regional Health Strategic Plan

The *Regional Health Strategic Plan 2022-2032* outlines NSW Health's strategies to ensure people living in regional, rural and remote NSW can access high quality and timely healthcare with excellent patient experiences and optimal health outcomes. The *Regional Health Strategic Plan* aims to improve health outcomes for regional, rural and remote NSW residents over the decade from 2022 to 2032.

Regional NSW encompasses all regional, rural and remote areas of NSW. There are nine regional local health districts in NSW: Central Coast, Far West, Hunter New England, Illawarra Shoalhaven, Mid North Coast, Murrumbidgee, Northern NSW, Southern NSW and Western NSW. Some areas of other local health districts may also be considered regional for the purpose of the plan, such as South Western Sydney and Nepean Blue Mountains. The *Regional Health Strategic Plan* is also supported by the metropolitan local health districts and by the Specialty Health Networks which have patients in many regional locations.

The *Regional Health Strategic Plan Priority Framework* outlines a suite of targets for each Strategic Priority, to be achieved in each time horizon of the Plan.

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### 2.3 NSW Aboriginal Health Plan

The *NSW Aboriginal Health Plan 2024-2034* aims to drive change to achieve the highest possible levels of health and wellbeing for Aboriginal people in NSW, in line with the National Agreement on

Closing the Gap, by:

- Guiding how health systems are planned, delivered, and monitored
- Elevating the focus on Aboriginal expertise to drive shared decision-making and innovative collaborations
- Influencing the redesign of health services to achieve health equity
- Providing direction for the elimination of racism in all aspects of health care

The NSW Aboriginal Health Plan is supported by the *NSW Aboriginal Health Governance, Shared Decision Making and Accountability Framework* which promotes partnership and shared decision making and is operationalised through the NSW Aboriginal Health Transformation Agenda which NSW Health Organisations have responsibility for actioning.

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## 2.4 NSW Health Workforce Plan 2022-2032

The *NSW Health Workforce Plan* describes the NSW Health workforce vision and its system priorities:

1. Build positive work environments that bring out the best in everyone.
2. Strengthen diversity in our workforce and decision making.
3. Empower staff to work to their full potential around the future care needs.
4. Equip our people with the skills and capabilities to be an agile, responsive workforce.
5. Attract and retain skilled people who put patients first.
6. Unlock the ingenuity of our staff to build work practices for the future.

State-level leads have been identified to lead specific activities under the first Horizon, on behalf of the system.

However, to achieve the workforce vision, all agencies, local health districts, specialty networks and pillar organisations are responsible for delivering on these six system-wide workforce priorities for the workforce of their organisation.

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## 2.5 NSW Government priorities

There are several government priorities that NSW Health is responsible for delivering. These government priorities are usually reported to the Premier's Department or The Cabinet Office through NSW Health Executive. Progress on government priorities allocated to NSW Health is monitored by the Ministry of Health including:

- Election commitments including the Premier's focus areas
- Inquiry recommendations
- NSW Performance and Wellbeing Framework

### 3 Local Strategic Priorities

Healthcare service planning supports a more consistent approach to delivering NSW Health's core strategies, to achieve the vision of *a sustainable health system that delivers outcomes that matter most to patients and the community, is personalised, invests in wellness and is digitally enabled*.

The Organisation is responsible for strategic and service planning that meets the particular needs of their local population and has identified the following priorities that will be targeted over the period of this Agreement:

- Mental Health services and models of care
- Innovation in cardiovascular health
- Care for the older person coordination, connectivity and service provision