

# St Vincent's Hospital Sydney Limited

## Financial Report 2024



**ST VINCENT'S  
HOSPITAL**  
SYDNEY

A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

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## CORPORATE INFORMATION

Directors	Mr. P McClintock AO (Chair)	
	Ms. K Bailey-Lord	Ms. S McPhee AM
	Ms. A Barker	Mr. D O'Brien
	Dr. M Coote	Mr. P O'Sullivan
	Ms. A Cross AM	Prof. V Perkovic
	Ms. A McDonald	Ms. J Watts
	Ms. S McGregor	
Company Secretary	Mr. P Garcia	Mr. P Fennessy
Principal registered office	Level 22, 100 William Street, Woolloomooloo NSW 2011	
Auditor	Ernst & Young, 200 George Street, Sydney NSW 2000	
Website address	<a href="http://www.svha.org.au">www.svha.org.au</a>	
ABN	77 054 038 872	

# DIRECTORS' REPORT

The Directors of St Vincent's Hospital Sydney Limited present their report together with the financial report of St Vincent's Hospital Sydney Limited for the year ended 30 June 2024.

St Vincent's Hospital Sydney Limited (the "Company") is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

This financial report was authorised for issue by the Directors on 10 October 2024. The Company has the power to amend and reissue the financial report.

## ABOUT ST VINCENT'S HOSPITAL SYDNEY LIMITED

St Vincent's Hospital Sydney Limited is a subsidiary of St Vincent's Health Australia Limited. The St Vincent's Health Australia Limited Group is the nation's largest Catholic not-for-profit health and aged care provider.

### Our mission

We express God's love through the healing ministry of Jesus. We are especially committed to people who are poor or vulnerable.

### Our vision

Every person, whoever and wherever they are, is served with excellent and compassionate care, by a better and fairer health and aged care system.

### Our values

Compassion  
Excellence  
Integrity  
Justice

## OBJECTIVES AND PRINCIPAL ACTIVITIES

The objectives as stated in the Company's constitution are:

- to provide direct relief of sickness, suffering and distress through supporting the health service facilities operating hospitals and other health care facilities and by itself conducting such facilities; and
- to provide relief without discrimination.

These objectives are pursued through the principal activities of the Company being the operation of a public hospital network.

There were no significant changes in the nature of the Company's activities during the year.

The Directors monitor the Company's progress against these objectives at regular board and committee meetings including:

- reports on all aspects of the Company's operations;
- the development of a multi-year Strategic Plan and periodic review of this plan;
- feedback from clients who have accessed the Company's services through a range of client-focused mechanisms such as patient satisfaction surveys; and
- reports which detail mission related projects.

## OPERATING AND FINANCIAL REVIEW

### Review of operations

The Company is one of the oldest non-government public health providers in Australia. The Company comprises St Vincent's Hospital, a leading public tertiary hospital located in Darlinghurst, with co-located sub-acute services of Sacred Heart Health Services. The Company is a leader in heart lung transplants, research and other speciality services which include bone marrow transplant, cardiology, AIDS/HIV, mental health and drug and alcohol services. In 2019, the Company also commenced correctional health services at Parklea Correctional Centre.

The Company is not-for-profit and so strives to make a modest surplus to keep the health service sustainable, to generate funds to replace assets, to undertake charitable works, and to further invest in the mission to promote the healing ministry of Jesus.

## DIRECTORS' REPORT

### OPERATING AND FINANCIAL REVIEW (continued)

During the year, revenue and other income increased by \$25,813,000 or 3.68% due to increase in government recurrent allocation. A key focus for the Company has been optimising its efficiency whilst continuing to strive to improve its world-class patient-centred care. Parallel to income, the costs increased by \$16,746,000 or 2.33%. In 2024, the Company generated an operating deficit of \$8,469,000 (2023: \$17,536,000 deficit). The Company is aiming to modestly exceed a break even position in future years.

The Company's financial report includes receiving capital grants into income per accounting standards for not-for-profit entities, and the contribution from special purpose and trust funds (where funds are received into and expended from accounts whose purpose is specifically for funding research projects and various other specific activities and initiatives) prescribed by donors or grantor of the funds that cannot be used for any other purpose. Accordingly, when interpreting the financial performance it is necessary to view each of these components separately.

The operating deficit attributable to the hospital's General Fund for the year and after depreciation was \$25,539,000 compared to last year's deficit of \$9,304,000. Special Purpose and Trust funds generated a surplus of \$24,503,000 compared to last year's surplus of \$3,123,000.

### Going Concern

The annual report has been prepared on a going concern basis as the Directors are of the opinion that the Company can pay its debts as and when they fall due.

The Directors and key management personnel have formed this opinion based on the following:

1. The Company is listed as an Affiliated Health Organisation under the *Health Services Act 1997*. Section 127 of the Act obliges the Minister to consider funding allocations to Affiliated Health Organisations although not a quantum of funding. A Memorandum of Understanding (MOU) with the NSW Ministry of Health (the Ministry) has been in place for a number of years in relation to equity of treatment, including funding, compared to other entities within the NSW public health system. Legislative obligations combined with the MOU provide a level of surety that ongoing funding allocations will be provided by the Ministry. The MOU contains specific acknowledgment by the Minister for Health and the Ministry that St Vincent's Hospital Sydney Limited is a separate legal entity and that the Officers' and Directors' rely (in part) upon the MOU for the purposes of discharging their duties under law.
2. The Company has a Service Agreement with the Ministry for 2024-25 which provides certainty of funding for that financial year. This agreement is to be reviewed by the Board on the 23<sup>rd</sup> of September. The Company is recognised as a network (St Vincent's Health Network) under the *Health Services Act (1997)* for the purposes of the National Health Reform Agreement.
3. The Company recorded an operating deficit of \$8,469,000, net current assets of \$79,449,000, current ratio of 1.37 and net assets of \$248,704,000 in 2024. Cash and cash equivalents on hand at 30 June 2024 was \$74,256,000. The Company's results and assets comprise the General Fund and Special Purpose and Trust Funds, which have restricted purposes. The Company is aiming to modestly exceed break even positions in future years.
4. The Company received a letter from the Ministry dated 22 October 2009 in which it accepts some liability for employee entitlements should the Company cease activities as an Affiliated Health Organisation.

Accordingly, the financial statements have been prepared on a going concern basis.

## **DIRECTORS' REPORT**

### **DIVIDENDS**

The Company's constitution precludes the payment of dividends and accordingly no dividend has ever been paid or declared.

### **MEMBER'S GUARANTEE**

If the Company is wound up the constitution states that each member is required to contribute a maximum of \$100 each towards meeting the obligations of the Company. At 30 June 2024, the Company had 1 member (2023: 1) so the maximum amount to be contributed towards meeting the obligations of the Company would be \$100 (2023: \$100).

### **SUBSEQUENT EVENTS**

There have been no material transactions or events occurring subsequent to year end that require adjustment to, or disclosure in the financial statements.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

The Company will continue to operate the public hospital, providing direct relief of sickness, suffering and distress through supporting its health service facilities and to provide relief without discrimination.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Company is registered under the National Greenhouse and Energy Reporting Act, under which it is required to report energy consumption and greenhouse gas emissions for its Australian facilities for the 12 months ended 30 June 2024 and future periods. The Company has established data collection systems and processes are in place to meet its requirements.

### **INDEMNIFICATION AND INSURANCE OF OFFICERS**

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be personally held liable, except where there is a lack of good faith. The Directors have not included details of the indemnity as disclosure of those details is prohibited under the indemnity agreement.

### **INDEMNIFICATION OF AUDITOR**

As part of the Company's terms of engagement with Ernst & Young, the Company has agreed to indemnify Ernst & Young to the extent permitted by law and professional regulations, against any losses, liabilities, costs or expenses incurred by Ernst & Young where they arise out of or occur in relation to any negligent, wrongful or wilful act or omission, or breach of the engagement agreement by the Company. No payment has been made to Ernst & Young by the Company pursuant to this indemnity, either during or since the end of the financial year.

### **ROUNDING OF AMOUNTS**

The amounts contained in the Directors' report and financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$'000), or in certain cases to the nearest dollar, under the option available to the Company under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191.

## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT

St Vincent's Hospital Sydney Limited is incorporated under the Corporations Act 2001, is a public company limited by guarantee and is registered with the Australian Charities and Not-for-profits Commission. St Vincent's Hospital Sydney Limited is a subsidiary of St Vincent's Health Australia Limited. The St Vincent's Health Australia Group (the "SVHA Group") is governed by a Board of Directors ("Board") chaired by Mr Paul McClintock AO. The Board is the same group of directors for the Company.

The Board exists to ensure there is effective integration and growth of the mission of Mary Aikenhead Ministries throughout the health and aged care services and to govern the SVHA Group of companies pursuant to the Australian Charities and Not-for-profits Commission Act 2012 (Cth), Canon law and all other relevant civil legislation.

The Board must at all times operate within the Mary Aikenhead Ministries Ethical Framework and the Catholic Health Australia Code of Ethical Standards of Health and Aged Care Services in Australia (2001).

The day-to-day running of the SVHA Group is the responsibility of the Executive Leadership Team led by Chris Blake, Group Chief Executive Officer.

### Structure and Management



## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### Board of Directors

The Board is accountable for its key purpose to The Trustees of Mary Aikenhead Ministries ('TMAM'). Mary Aikenhead Ministries builds on the charism and traditions of the Sisters of Charity and Mary Aikenhead, founder of the Sisters of Charity. The Trustees are the canon law and civil stewards of SVHA. All Directors serve as independent non-Executive Directors and are appointed by TMAM.

#### Board Committees

All Board Committees operate under their own Charter which is annually reviewed and approved by the Board. Committees are permitted to appoint external experts to assist them in their consideration of matters. SVHA is grateful to those individuals who have given their time, skills and expertise freely in order to ensure our Committees are operating at the highest level so as to meet the needs of those we serve.

The Board is supported by seven standing Committees and one ad hoc Committee (The ad hoc Committee was established in January 24):

#### ***Audit & Risk***

The purpose of the Audit & Risk Committee is to ensure that effective audit, risk management and compliance systems are in place to protect SVHA's assets and to minimise the possibility of SVHA operating outside of legal requirements or beyond Board agreed risk parameters and ensuring the integrity of the SVHA Group statutory financial accounts.

#### ***Finance & Investment***

The purpose of the Finance & Investment Committee is to ensure all SVHA Group companies financially operate within accepted risk, legal, accounting, investment and solvency parameters. The other purpose is to guide the strategic investment strategy for the organisation and to ensure our companies and facilities achieve financial performance objectives.

#### ***Mission, Ethics & Advocacy***

The purpose of the Mission, Ethics & Advocacy Committee is to ensure the mission is promoted and strengthened throughout SVHA whilst also advocating for the poor, disadvantaged and marginalised. The Committee aims to foster and strengthen links to the broader SVHA community, the Catholic Church, supporters and stakeholders.

#### ***People & Culture Committee***

The purpose of the People & Culture Committee is to assist the Board in fulfilling its responsibilities in relation to the workforce strategy required to deliver SVHA's Mission & services. The Committee monitors the systems in place that facilitate the Board discharging its obligations in relation to all SVHA operations meeting best practice benchmarks in relation to people management, workplace relations and safety. The Committee has an oversight role in relation to work health and safety matters and workplace relation issues.

#### ***Clinical Governance & Experience***

The purpose of the Clinical Governance and Experience Committee is to assist the Board in the effective discharge of its responsibilities related to ensuring effective clinical governance and safe quality delivery of services across SVHA Group facilities in accordance with the Mission and values of the organisation. The Committee ensures a patient & resident centred focus is maintained across all SVHA aged care and health services and monitors professional performance to ensure a high quality of care.

#### ***Research & Education Committee***

The Research & Education Committee is core to delivering the SVHA strategy of being a health and aged care organisation renowned for teaching, training and research with strong strategic partnerships and a focus on translating research into best practice clinical outcomes. The Committee is responsible for oversight of SVHA's strategic direction in regard to research and education so that SVHA is able to deliver on its commitment to translational research to improve the health outcomes our community, in particular the poor and disadvantaged.

## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### ***Aged Care Committee***

The Committee assists the Board in the effective discharge of its responsibilities as directors of an Approved Provider of the effective, safe, person-centred and sustainable delivery of aged care services in accordance with the Mission and Values of the organisation. The Committee monitors all aspects related to the provision of aged care services including workforce, consumer participation, models of care, resident and staff safety and welfare and financial performance.

#### ***Adhoc Cyber Security Committee (established January 2024)***

The primary purpose of the Committee is to provide oversight and guidance to management on matters relating to the Cyber Incident, in accordance with its Terms of Reference and assist the Full Board with matters relating to the Cyber Incident which will require Board consideration and/or formal Board approval.

### Information on Directors

#### **Mr. Paul McClintock AO**

Graduated in Arts and Law from the University of Sydney.

Honorary Fellow of the Faculty of Medicine of University of Sydney.

Life Governor of the Woolcock Institute of Medical Research

Paul was appointed to the Board of SVHA and its subsidiary Boards on 1 January 2013 and was appointed Chair on 18 October 2019 and holds the additional positions of:

- Member – SVHA Aged Care Board Committee
- Chair – SVHA ad hoc Cyber Security Board Committee.

Paul also serves as a trustee of St Vincent's Hospital Sydney. Paul is Chair of Icon Group and Chair of Metlifecare Limited in New Zealand and is on the Board of Catholic Health Australia (CHA).

Paul served as the Secretary to Cabinet and Head of the Cabinet Policy Unit reporting directly to the Prime Minister as Chairman of Cabinet with responsibility for supervising Cabinet processes and acting as the Prime Minister's most senior personal adviser on strategic directions in policy formulation. His former positions include Chairman of I-MED Network, Medibank Private, the COAG Reform Council, the Committee for the Economic Development of Australia, Symbion Health, Sydney Health Partners, Affinity Health and the Woolcock Institute of Medical Research. He has also served as Commissioner of the Health Insurance Commission.

#### **Ms. Anne Cross AM**

Master of Social Work (Research)

Bachelor of Social Work

Fellow of Australian Institute of Company Directors

Member of Chief Executive Women

Appointed non-executive director of SVHA and its subsidiary Boards on 1 January 2019 and holds the additional positions of:

- Chair – SVHA Aged Care Board Committee
- Member – SVHA Audit and Risk Board Committee; and Clinical Governance & Experience Board Committee.

Anne concluded her executive career as Chief Executive of Uniting Care Queensland, one of Australia's largest not for profit health, aged care and community service organisations late in 2017. Currently she is Deputy Chair of the Australian Institute of Company Directors, Chair of Uniting Church in Australia Redress Ltd and a Director of Deakin TopCo Pty Ltd (trading as Levande).

Anne is a Member, Senate of the University of Queensland and an Adjunct Professor in the Faculty of Health and Behavioural Sciences University of Queensland. Anne received recognition in the Queen's Birthday 2018 Honours List for significant service to the community and to women, was named Telstra's National Businesswoman of the Year in 2014; and awarded the University of Queensland's Alumni Excellence Award in 2016.



## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### Information on Directors (continued)

**Dr. Michael Coote**

MB BS FRANZCO GAICD

Clinical Associate Professor  
University of Melbourne

Member of Australian  
Medical Association

Graduate of Australian  
Institute of Company  
Directors

Appointed non-executive director of SVHA and its subsidiary Boards on 4 August 2016 (and served on the boards of several St Vincent's entities prior to 2010), and holds the additional positions of:

- Chair - Research & Education Board Committee
- Member - Clinical Governance & Experience Board Committee
- Director – Board of the Aikenhead Centre for Medical Discovery Ltd

Michael is an Associate Professor and senior glaucoma consultant at the Royal Victorian Eye and Ear Hospital (RVEEH) Melbourne and is the previous Clinical Director of Ophthalmology. He is the managing partner of Melbourne Eye Specialists - an academic private practice in Melbourne specialising in Glaucoma management. He is Lead Investigator Glaucoma Surgery Unit Centre for Eye Research Australia

Michael is an active researcher, mainly in glaucoma surgery research. He developed the CERA model of bleb porosity testing and has published 50 peer reviewed manuscripts, authored eight book chapters and has given over 50 international lectures.

He is currently on the Executive Board of the International Society for Glaucoma Surgery.

**Ms. Kathleen Bailey-Lord**

Bachelor of Arts (Honours),  
University of Melbourne

Graduate of the Macquarie  
Advanced Management  
Program

Harvard Executive Program  
Sustainability Leadership  
Program

Appointed non-executive director of SVHA and its subsidiary Boards on 17 April 2023 and holds the additional positions of:

- Member – Finance & Investment Board Committee; People & Culture Board Committee; and Cyber Security ad-hoc Board Committee.

Kathleen is an experienced company director and corporate advisor with deep expertise in digital technology as well as adapting to and benefiting from disruptive change.

Kathleen has 20 years of senior executive experience leading businesses through complex environments and has enjoyed a career within a wide range of industries including technology (IBM), professional services (Law and Accounting) and Financial Services (ANZ Bank, Fordham Group).

She is President Victorian Council AICD and an active member of Chief Executive Women. Kathleen is currently Chair of Janison Education Group, and serves as a Director on the Boards of Datacom and AMP Ltd.

Past Board positions include Alinta Energy, Melbourne Water Corporation, QBE Insurance (Auspac), Bank of Queensland, Monash College Pty Ltd, Trinity College at the University of Melbourne, and the Australian Government Solicitor.

Between 2018 and 2022, Kathleen provided her skills to the Parkville Health Precinct (comprises Melbourne Health, Royal Women's, Royal Children's, and Peter Mac Cancer Centre) chairing its Connecting Care Board which has oversight of the implementation of precinct shared services, including electronic medical records.

## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### Information on Directors (continued)

**Ms. Sandra McPhee AM**

Diploma in Education

Fellow of the Australian  
Institute of Company  
Directors

Member of Chief Executive  
Women

Member of Women  
Corporate Directors

Appointed non-executive director of SVHA and its subsidiary Boards on 1 October 2017 having previously served on the Sydney Regional Boards and as Chair of the Sydney Regional Advisory Committee. Holds the additional positions:

- Chair – People & Culture Board Committee
- Member – Mission, Ethics & Advocacy Board Committee

Sandra is Chair of the NSW Public Service Commission, Chancellor of Southern Cross University, and a member of the Advisory Council of JP Morgan.

In 2018 she was appointed by the Commonwealth Government to Chair the Employment Services Expert Advisory Panel Review resulting in the “I Want to Work’ Employment Services 2020 Report”. The Report’s recommendations were accepted by government.

Sandra has previously served as a Non-Executive Director on a number of public companies, state, federal government and not for profit boards including Scentre Group, Westfield Retail Trust, AGL Energy, Fairfax Media, Coles Group, Kathmandu Holdings, Perpetual, Australia Post, Tourism Australia, South Australia Water, Care Australia and the Starlight Foundation.

During her aviation executive career, most recently with Qantas Airways Limited she was responsible for commercial operations in a diverse range of international markets and within Australia

**Ms. Anne McDonald**

Bachelor of Economics  
(Sydney University)

Chartered Accountant,  
Fellow of the Institute of  
Chartered Accountants ANZ

Graduate and Member of  
the Australian Institute of  
Company Directors

Appointed non-executive director of SVHA and its subsidiary Boards on 1 June 2017 (and previously served on the boards of several St Vincent's entities prior to 2010), and holds the additional positions of:

- Chair - Audit & Risk Board Committee
- Member - Finance & Investment Board Committee; and Cyber Security ad-hoc Board Committee

Anne is an experienced non-executive Director (NED) with a solid understanding of corporate governance. She has pursued a full-time career as a NED since 2006. She is currently a director of Smartgroup (SIQ) and Transport Assets Holding Entity of NSW.

Anne has previously served as non-executive director or chair on a range of public and private companies and State Government Boards including The GPT Group, Spark Infrastructure, Link Group, Specialty Fashion Group, Sydney Water and Water NSW. Prior to her NED career, she spent 15 years as a partner of EY.

## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### Information on Directors (continued)

**Mr. Paul O'Sullivan**

B.A. Economics, (First Class),  
Trinity College Dublin

Advanced Management  
Program, Harvard Business  
School

Appointed non-executive director of SVHA and its subsidiary Boards on 1 August 2019 and holds the additional positions of:

- Deputy Chair of the Board
- Chair – Finance & Investment Board Committee
- Member – Mission, Ethics & Advocacy Board Committee; and Cyber Security ad hoc Board Committee

Paul is an experienced chief executive with extensive domestic and international experience in ASX and SGX companies driving business transformation, growth and managing mergers and acquisitions, as well as working with Board Remuneration and Audit Committees. Previous roles include CEO Optus Australia and CEO Group Consumer Singtel (SGP).

Paul is currently Chair of Singtel Optus, Western Sydney Airport Company, and ANZ bank.

**Ms. Jill Watts**

Wharton Fellow, MBA

Grad Dip Health Admin &  
Information Systems; RM; RN

Appointed non-executive director of SVHA and its subsidiary Boards on 1 August 2019 and holds the additional positions of:

- Member - People & Culture Board Committee; and Finance & Investment Board Committee
- Environmental Social Governance (ESG) Champion

Jill has over 40 years international business experience achieved through high profile executive and non-executive Board roles in Australia, UK, France, South Africa and South-East Asia.

Jill currently holds non-executive director roles on NIB Australia Board, Icon Group Board, Keyton Retirement Trust and IHH Healthcare. Prior to establishing a non-executive board portfolio, Jill was an advisor to Macquarie Capital and spent 10 years in the United Kingdom as Group CEO of two of the largest hospital Groups, BMI Healthcare and Ramsay UK.

Jill has previously served on several high-profile Boards including the Australian Chamber of Commerce and the Royal Flying Doctor Service in the UK, Ramsay Santé in France and the Netcare Group in South Africa. Between 2008 and 2012 Jill was Chair of NHS Partners Network and in 2010 was voted the most influential leader in UK Private Health Care, and in 2013 as one of healthcare's most inspirational women.

In combination with over 12 years as a surveyor with the Australian College of Healthcare Standards, Jill has facilitated a unique knowledge base in managing both corporate and clinical risk.

## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### Information on Directors (continued)

**Mr. Damien O'Brien**

Bachelor of Economics  
(UNSW)

MBA (Columbia University)

Diploma in Theology &  
Philosophy (St Columban's  
College)

Appointed non-executive director of SVHA and its subsidiary Boards on 1 November 2019 and holds the additional positions of

- Chair - Mission, Ethics & Advocacy Committee
- Member - Audit & Risk Board Committee; and Research & Education Board Committee

Damien is the former Chair and CEO of Egon Zehnder, a leading global advisory firm specialising in Board advisory services and executive recruitment and was based in Hong Kong, Sydney, Paris, London and Zurich, and served as chair between 2010 and 2018. Prior to that he was an Associate Consultant to McKinsey & Company.

He is currently a non-executive director at Ardagh Group, and a Member of the Board of US listed company Ardagh Metal Packaging; and a member of the Supervisory Board of IMD Business School, Lausanne, Switzerland. He previously served on the Board of St Vincent's Private Hospital Sydney from 2002 to 2008 and the Advisory Board of Jesuits Australia from 2004 to 2007.

**Ms. Sheila McGregor**

BA (Hons), LLB (Sydney  
University)

Graduate Australian Institute  
of Company Directors

Member of Chief Executive  
Women

Appointed non-executive director of SVHA and its subsidiary Boards on 1 December 2019 and holds the additional positions of:

- Member: People & Culture Board Committee; Clinical Governance Board Committee; Aged Care Board Committee; and ad hoc Cyber Security Board Committee.

Sheila is a Consultant at Gilbert + Tobin Lawyers, and before that a partner at Herbert Smith Freehills (then Freehills), and in those roles has advised private and public sector organisations on a range of complex legal and governance issues focused on information technology & data.

Sheila is on the board of Crestone Holdings Limited and Sydney Writers' Festival. She is Chair of Loreto School Kirribilli, in Sydney.

**Prof. Vlado Perkovic**

MBBS, PhD (University of  
Melbourne), FRACP

Doctor of Philosophy

Appointed non-executive director of SVHA and its subsidiary Boards on 1 October 2021 and holds the additional positions of:

- Chair - Clinical Governance & Experience Board Committee
- Member - Research & Education Board Committee

Professor Vlado Perkovic is the Provost and Scientia Professor at the University of New South Wales in Sydney, Australia, and was previously the Dean of the Faculty of Medicine & Health at UNSW. He holds non-executive director roles at Victor Chang Cardiac Research Institute, Mindgardens Network and several other independent Medical Research Institutes.

He is a distinguished clinical researcher and has led several major international clinical trials that have identified new treatments to prevent kidney failure.

Vlado holds a Doctor of Philosophy from the University of Melbourne and completed his undergraduate training at The Royal Melbourne Hospital.

## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### Information on Directors (continued)

<b>Ms. Ariane Barker</b>	Appointed non-executive director of SVHA and its subsidiary Boards on 1 June 2024.
B.A. Economics & Mathematics (Boston University, USA)	Ariane is on the Board of Commonwealth Superannuation Corporation and chair of its Governance Committee as well as a member of its HR and remuneration committee. She also currently serves as Board Director and Chair of the Audit and Risk Committee for ASX listed IDP Education.
Fellow of the Australian Institute of Company Directors	Ariane is an experienced global executive and board member with a background in financial services spanning over 25 years. She has worked in tier 1 global investment banks in New York, London, Asia, and Australia, also experienced supporting high growth companies at C-Suite and board level across capital markets, superannuation, and venture capital.
Securities & Managed Investments Accreditation Program (ASIC RGS146)	Ariane is a Member of Australian Institute of Superannuation Trustees, Association of Superannuation Funds of Australia (ASFA), Women in Super (WIS) and Chief Executive Women (CEW). Previously, she was a member of the Murdoch Childrens Research Institute (MCRI) Investment Committee for 13 years.
VC Catalyst Program at the Wade Institute, MBS University of Melbourne	

#### Company Secretary

<b>Mr. Pat Garcia</b>	Pat Garcia was the CEO of Catholic Health Australia, the largest not for profit grouping of health and aged care services in Australia. He is an Adjunct Professor of Politics and International Relations at the University of Notre Dame Australia.
Bachelor of Law (Hons) (USYD), Bachelor of Commerce (UNSW); Master of Public Policy (USYD), Master of International Law and Security (UNSW)	Pat sits on the boards of CatholicCare Sydney, the Trustees of Catholic Aged Care Sydney and the Ascham Council of School Governors. He previously sat on the boards of the St Vincent de Paul Society National Council, the Law Council of Australia, the Law Society of New South Wales, Shine for Kids, Surf Life Saving Sydney and Youth Action. He is a life member of Coogee Surf Life Saving Club and former Army Reserves Officer.
Appointed 4 September 2023	He is admitted as a Solicitor to the Supreme Court of NSW and holds an unrestricted NSW Practicing Certificate.
<b>Mr. Paul Fennessy</b>	Paul is the Group General Counsel for St Vincent's Health Australia.
Bachelor of Engineering (Civil) (Hons)/Bachelor of Laws (Monash)	Paul joined the group legal team at St Vincent's in 2014 and was appointed as alternate Company Secretary in 2016. He has over 25 years' experience as a lawyer, having worked in law firms in Australia and the UK, and as part of in-house legal teams for ASX listed organisations.
	He is admitted as a Solicitor to both the Supreme Court of NSW and the Supreme Court of Victoria and holds an unrestricted NSW Practicing Certificate.
<b>Mr. Robert Beetson</b>	Mr Beetson resigned as Company Secretary 1 September 2023.

## DIRECTORS' REPORT

### STRUCTURE AND MANAGEMENT (continued)

#### Meetings of the Board and Committees

Number of Meetings Held	9	7	8	6	6	6	4	5	2
Directors	Board	Audit & Risk	Finance & Investment	Clinical Governance & Experience	Research & Education	People & Culture	Mission, Ethics & Advocacy	Aged Care	Cyber Security (adnoc)
Mr Paul McClintock AO Chair	9/9							5/5	2/2●
Ms Anne McDonald	9/9	7/7●	8/8						2/2
Ms Sandra McPhee AM	8/9			6/6		6/6●	4/4		
Mr Paul O'Sullivan	7/9		8/8●			2/2	3/4		2/2
Ms Anne Cross AM	9/9	7/7		4/6				5/5●	
Dr Michael Coote	8/9			6/6	6/6●				
Ms Jill Watts	7/9		6/8			6/6			
Ms Sheila McGregor	9/9					4/4		5/5	2/2
Mr Damien O'Brien	8/9	7/7					4/4●		
Prof Vlado Perkovic	8/9			6/6●	5/6				
Ms Kathleen Bailey-Lord	9/9		5/5			3/4			2/2
Ms Ariane Barker <sup>1</sup>	1/1								

<sup>1</sup> Appointed 1 June 2024

● Committee chair

### REMUNERATION

Under the legislation, the Company is not required to present a Remuneration Report but seeks to provide fair and responsible remuneration within the bands expected for a not-for-profit organisation. Note E1 contains the required remuneration disclosures.

### AUDITOR

The Directors have received an Independence Declaration from Ernst & Young, a copy of which is attached at page 13.

This report is made in accordance with a resolution of the Directors.



Mr. Paul McClintock AO, Chair

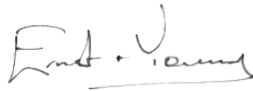
Sydney

10 October 2024

## Auditor's independence declaration to the directors of St Vincent's Hospital Sydney Limited

In relation to our audit of the financial report of St Vincent's Hospital Sydney Limited for the financial year ended 30 June 2024, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.



Ernst & Young



Anton Ivanyi  
Partner  
Sydney  
10 October 2024

**PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$'000	2023 \$'000
Revenue	A1	711,445	682,832
Other income	A1	15,126	17,926
<b>Total revenue and other income</b>		<b>726,571</b>	<b>700,758</b>
Employment expenses	A2	478,392	459,569
Goods and services		178,838	175,083
Finance costs		1,026	814
Repairs and maintenance		12,346	6,488
Depreciation and amortisation	A5/A8	17,334	23,293
Other expenses from ordinary activities		47,104	53,047
<b>Total expenses</b>		<b>735,040</b>	<b>718,294</b>
<b>Operating deficit</b>		<b>(8,469)</b>	<b>(17,536)</b>
Capital funding received	A1	7,433	11,355
<b>Total comprehensive deficit</b>		<b>(1,036)</b>	<b>(6,181)</b>



## BALANCE SHEET

### AT 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	B1	74,256	82,774
Trade and other receivables	A3	44,223	42,992
Inventories	A4	7,021	6,970
Investments	B2	171,482	183,623
Total current assets		296,982	316,359
<b>Non-current assets</b>			
Receivables	A3	346	453
Property, plant and equipment	A5	200,096	190,284
Right-of-use assets	A8	17,335	15,693
Total non-current assets		217,777	206,430
<b>Total assets</b>		<b>514,759</b>	<b>522,789</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	A6	79,178	88,708
Lease Liabilities	A8	1,006	952
Borrowings	B4	1,372	192
Provisions	A7	135,976	141,172
Total current liabilities		217,532	231,024
<b>Non-current liabilities</b>			
Provisions	A7	9,557	7,882
Lease Liabilities	A8	17,125	15,334
Borrowings	B4	21,841	18,809
Total non-current liabilities		48,523	42,025
<b>Total liabilities</b>		<b>266,055</b>	<b>273,049</b>
<b>Net assets</b>		<b>248,704</b>	<b>249,740</b>
Retained surplus – General Fund		17,860	43,399
Retained surplus – Special Purpose and Trust Fund		230,844	206,341
<b>Total equity</b>		<b>248,704</b>	<b>249,740</b>

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2024

	Retained surpluses \$'000	Total \$'000
<b>2024</b>		
Balance 1 July 2023	249,740	249,740
Total (deficit)	(1,036)	(1,036)
Total comprehensive (deficit)	(1,036)	(1,036)
<b>Balance 30 June 2024</b>	<b>248,704</b>	<b>248,704</b>
<b>2023</b>		
Balance 1 July 2022	255,921	255,921
Total (deficit)	(6,181)	(6,181)
Total comprehensive (deficit)	(6,181)	(6,181)
Balance 30 June 2023	249,740	249,740

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from patients and grants (including GST)		760,515	735,293
Payments to suppliers and employees (including GST)		(791,553)	(765,061)
Payment of interest portion of lease liabilities		(688)	(666)
Donations and other income received		15,126	17,926
<b>Net cash flow from operating activities</b>		<b>(16,600)</b>	<b>(12,508)</b>
<b>Cash flows used in investing activities</b>			
Payments for property, plant and equipment		(26,193)	(29,342)
Proceeds from disposal of plant and equipment		12	171
Net proceeds for investments		19,806	(3,069)
Capital funding received		7,432	11,355
Interest received		3,877	4,126
<b>Net cash flow used in investing activities</b>		<b>4,934</b>	<b>(16,759)</b>
<b>Cash flows used in financing activities</b>			
Loan from related party		4,404	-
Repayment of loan from related party		(192)	(192)
Payment of principal portion of lease liabilities		(1,064)	(1,720)
<b>Net cash flow used in financing activities</b>		<b>3,148</b>	<b>(1,912)</b>
<b>Net (decrease) in cash and cash equivalents held</b>		<b>(8,518)</b>	<b>(31,179)</b>
Cash at the beginning of the financial year		82,774	113,953
<b>Cash at the end of the financial year</b>	B1	<b>74,256</b>	<b>82,774</b>

## NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT FOR THE YEAR ENDED 30 JUNE 2024

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## NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT FOR THE YEAR ENDED 30 JUNE 2024

St Vincent's Hospital Sydney Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The financial report represents the financial information of St Vincent's Hospital Sydney Limited (the "Company"). The financial report was authorised for issue by the Directors on 10 October 2024. The Directors have the power to amend and reissue the financial report.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards – Simplified disclosures and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (Cth).

The financial report has also been prepared on a going concern basis, using historical cost conventions and financial assets at fair value through profit or loss and available-for-sale financial assets which are carried at fair value.

The financial report is presented in Australian dollars with all values rounded to the nearest thousand dollars unless otherwise stated and presents reclassified comparative information where required for consistency with the current year's presentation.

### Going concern

The annual report has been prepared on a going concern basis as the Directors are of the opinion that the Company can pay its debts as and when they fall due.

The Directors and key management personnel have formed this opinion based on the following:

1. The Company is listed as an Affiliated Health Organisation under the *Health Services Act 1997*. Section 127 of the Act obliges the Minister to consider funding allocations to Affiliated Health Organisations although not a quantum of funding. A Memorandum of Understanding (MOU) with the NSW Ministry of Health (the Ministry) has been in place for a number of years in relation to equity of treatment, including funding, compared to other entities within the NSW public health system. Legislative obligations combined with the MOU provide a level of surety that ongoing funding allocations will be provided by the Ministry. The MOU contains specific acknowledgment by the Minister for Health and the Ministry that St Vincent's Hospital Sydney Limited is a separate legal entity and that the Officers' and Directors' rely (in part) upon the MOU for the purposes of discharging their duties under law.
2. The Company has a Service Agreement with the Ministry for 2024-25 which provides certainty of funding for that financial year. The Company is recognised as a network (St Vincent's Health Network) under the *Health Services Act (1997)* for the purposes of the National Health Reform Agreement.
3. The Company recorded an operating deficit of \$8,469,000, net current assets of \$79,449,000 current ratio of 1.37 and net assets of \$248,704,000 in 2024. Cash and cash equivalents on hand at 30 June 2024 was \$74,256,000. The Company's results and assets comprise the General Fund and Special Purpose and Trust Funds, which have restricted purposes. The General Fund recorded a total deficit of \$25,539,000 and net assets of \$17,860,000. The Company is aiming to modestly exceed break even positions in future years.
4. The Company received a letter from the Ministry dated 22 October 2009 in which it accepts some liability for employee entitlements should the Company cease activities as an Affiliated Health Organisation.

**NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**The notes to the financial statements**

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the the Company. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Company;
- it helps to explain the impact of significant changes in the Company’s business; or
- it relates to an aspect of the Company’s operations that is important to its future performance.

**Key accounting estimates and judgements**

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgements which are considered material to the financial report are found in the following notes:

<b><i>Area of Estimation</i></b>	<b><i>Note</i></b>
Long-term employee obligations – assumptions underlying assessment of employee departures and periods of service	A2
Property, plant and equipment – assessment of useful lives and impairment assessment	A5
Intangible assets – assumptions underlying recoverable value	A5
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## NOTES TO THE FINANCIAL STATEMENTS: Key numbers

### FOR THE YEAR ENDED 30 JUNE 2024

This section explains the results and performance of the Company. It provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including accounting policies that are relevant for understanding the items recognised in the financial statements.

#### A1 REVENUE AND OTHER INCOME

Revenue, other income and capital funding recognised during the year are set out below.

	2024 \$'000s	2023 \$'000s
Patient and resident fees	31,252	29,352
Government grants and subsidies	534,481	509,012
COVID-19 Government subsidies	-	7,958
Non-medical revenue	91,387	80,418
Rent and other property revenue	785	841
Interest revenue	3,877	4,126
Other revenue	49,663	51,125
<b>Total revenue</b>	<b>711,445</b>	<b>682,832</b>
Donations and other income	15,126	17,926
<b>Total other income</b>	<b>15,126</b>	<b>17,926</b>
Capital funding received in relation to the:		
Darlinghurst Integrated Campus Redevelopment (b)	6,395	7,873
Replace air handling units in Sacred Heart & Aikenhead building theatre (c)	1,037	2,840
Replacement of Aikenhead cladding	-	473
Repair CFI building façade	-	59
Xavier building lift door modernization	-	50
Minor capex works	-	60
<b>Total capital funding included in non-operating income</b>	<b>7,432</b>	<b>11,355</b>

During the year, Sydney Public received \$30m from the NSW Ministry of Health to enhance the liquidity position and support the ongoing delivery of healthcare services. This additional funding was recognised as income in FY24.

#### (a) Accounting policy

Refer to Note E6, Other Accounting Policies, Revenue from Contracts with Customers

#### (b) Darlinghurst Integrated Campus Redevelopment

Funding of \$6,395,000 (2023:\$7,873,000) was received during 2024 for Darlinghurst Integrated Campus Redevelopment and the associated work was also completed during the year.

#### (c) Replacement of air handling units in Sacred Heart Health Services & Aikenhead Building Theatre

## NOTES TO THE FINANCIAL STATEMENTS: Key numbers FOR THE YEAR ENDED 30 JUNE 2024

Government grants of \$ 1,037,000 (2023:\$2,840,000) were received during 2024 for the replacement of air handling units in Sacred Heart Health Service and Aikenhead building theatre, which is required to maintain safety compliance. The project was completed in 2024.

### A2 EMPLOYMENT EXPENSES

Employment expenses recognised during the year are set out below.

	2024 \$'000s	2023 \$'000s
Salaries and wages	437,019	421,742
Superannuation	41,373	37,827
	<b>478,392</b>	<b>459,569</b>

#### (i) Accounting policy

This disclosure note includes the accounting policies for all items related to employment expenses. This includes the treatment of statement of financial position items such as provision for employee benefits (note A7).

#### ***Superannuation***

The Company contributes to several defined contribution superannuation plans. Contributions are recognised as an employment expense as they are incurred.

#### ***Termination benefits***

The Company recognises termination benefits when it commits to either terminating a current employee's employment according to a detailed formal plan without the possibility of withdrawal or providing termination benefits following an offer made and accepted to encourage voluntary redundancy.

#### ***Short-term employee obligations***

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled and are classified as current where the Company does not have an unconditional right to defer the liability beyond 12 months of the reporting date.

The liability for annual leave and long service leave is recognised in the provision for employee benefits. All other short-term employee obligations are presented as payables.

#### ***Long-term employee obligations***

Liabilities for long service leave and annual leave which are expected to be settled more than 12 months from the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the statement of financial position date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on Australian Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.



## NOTES TO THE FINANCIAL STATEMENTS: Key numbers FOR THE YEAR ENDED 30 JUNE 2024

### A3 TRADE AND OTHER RECEIVABLES

	2024 \$'000s	2023 \$'000s
<b>Current</b>		
Trade receivables	9,194	9,059
Less: Allowance for expected credit losses (ii)	(921)	(522)
Net trade receivables	8,273	8,537
Amounts due from related parties (note C3)	6,959	11,211
Accrued revenue	8,451	9,239
Other receivables	19,120	12,385
Prepayments	1,420	1,620
<b>Total current receivables</b>	<b>44,223</b>	<b>42,992</b>
<b>Non-current</b>		
Amounts due from related parties (note C3)	346	453
<b>Total non-current receivables</b>	<b>346</b>	<b>453</b>

#### (i) Accounting policy

Refer to note E6, Other Accounting policies , Financial Instruments

#### (ii) Financial risk management

##### Market risk - interest rate risk

Receivables are generally non-interest bearing and are not, therefore, subject to interest rate risk.

##### Credit risk

Credit risk in respect of trade and other receivables is generally considered to be low given that the majority of receivables relate to funds owed by State and Commonwealth government departments and service agreements and private health insurance funds who are subject to prudential standards governed by the Private Health Insurance Act and monitored by the Private Health Insurance Administration Council. It is the Company's policy that all health funds trading on credit terms are subject to credit verification procedures. Receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

The other classes of financial assets do not contain any impaired assets or assets that are past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Company does not hold any collateral in relation to these assets.

##### Allowance for expected credit losses

The company applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

##### Amounts due from related parties

Credit risk in respect of amounts due from related parties is considered to be low given the history and stability of the Company. Credit risk is also assessed by reviewing current financial information including management and statutory accounts, budgets and cash forecasts.

#### (iii) Fair value

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

## NOTES TO THE FINANCIAL STATEMENTS: Key numbers FOR THE YEAR ENDED 30 JUNE 2024

### A4 INVENTORIES

Inventories of \$7,021,000 (2023: \$6,970,000) comprise medical and other consumables.

#### (i) Accounting policy

Inventories are carried at the lower of cost and replacement value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Replacement value is the estimated cost of replacement in the ordinary course of business.

### A5 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Plant and equipment	In course of construction	Total
	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2024</b>				
Cost	163,755	188,409	52,184	404,348
Accumulated depreciation	(55,416)	(148,836)	-	(204,252)
Net carrying amount	108,339	39,573	52,184	200,096
<b>Movement</b>				
Carrying amount at 1 July	110,452	42,089	37,743	190,284
Additions	4,334	7,406	14,441	26,181
Disposals	(4,693)	(692)	-	(5,385)
Depreciation	(1,754)	(9,230)	-	(10,984)
Carrying amount at 30 June	108,339	39,573	52,184	200,096
<b>Year ended 30 June 2023</b>				
Cost	164,114	181,695	37,743	383,552
Accumulated depreciation	(53,662)	(139,606)	-	(193,268)
Net carrying amount	110,452	42,089	37,743	190,284

#### (i) Accounting policy

Property, plant and equipment (including in the course of construction) is measured at historical cost less accumulated depreciation and impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs incurred in relation to the asset are included in cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS: Key numbers FOR THE YEAR ENDED 30 JUNE 2024

### A5 PROPERTY, PLANT AND EQUIPMENT (continued)

#### (i) Accounting policy (continued)

##### *Depreciation*

Items of property, plant and equipment are depreciated on the straight-line method over their estimated useful lives. The depreciation rates used for each class of assets are detailed below:

Leasehold improvements	up to 40 years (shorter of (a) the unexpired period of the lease or (b) the estimated useful life of the improvement to the Company)
Plant and equipment	up to 25 years
Furniture and fittings	up to 10 years
Computer equipment	up to 5 years
Medical and surgical equipment	up to 10 years

##### *Impairment*

If the carrying value of an item of property, plant and equipment is greater than its estimated recoverable amount, then its carrying value is written down immediately to its recoverable amount.

##### *Derecognition*

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss on derecognising an item of property, plant and equipment (difference between the proceeds of disposal and the carrying amount of property, plant and equipment) is included in profit or loss in the year of disposal.

### A6 TRADE AND OTHER PAYABLES

	2024 \$'000s	2023 \$'000s
<b>Current</b>		
Trade creditors and accrued expenses	69,971	65,304
Other payables	253	10,044
Amounts due to related parties (unsecured) (note C3)	8,954	13,360
<b>Total current payables</b>	<b>79,178</b>	<b>88,708</b>

#### (i) Accounting policy

Payables are initially recognised at fair value less transaction costs and subsequently carried at amortised cost. Trade payables are unsecured and are usually paid within 45 days of recognition.

#### (ii) Financial risk management

##### **Liquidity risk**

The Company manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities.

## NOTES TO THE FINANCIAL STATEMENTS: Key numbers FOR THE YEAR ENDED 30 JUNE 2024

### ***Maturity of trade and other payables***

The Company's trade and other payables, based on the period remaining until the contractual maturity date, are all due within one year (2023: all due within one year).

### **(iii) Fair value**

Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

## **A7 PROVISIONS**

	<b>2024</b> <b>\$'000s</b>	<b>2023</b> <b>\$'000s</b>
<b><i>Current</i></b>		
Employee benefits (note A2(i))	<b>134,782</b>	139,978
Other	<b>1,194</b>	1,194
	<b>135,976</b>	141,172
<b><i>Non-current</i></b>		
Employee benefits (note A2(i))	<b>9,557</b>	7,882
	<b>9,557</b>	7,882

### **(i) Accounting policy**

A provision is recognised when a present legal or constructive obligation exists as a result of a past event and it is probable that a future outflow of cash or other benefit will be required to settle the obligation, the timing or amount of which is uncertain.

## NOTES TO THE FINANCIAL STATEMENTS: Key numbers FOR THE YEAR ENDED 30 JUNE 2024

### A8 LEASES

#### Leases as a lessee

The Company leases assets including land and buildings and medical equipment. Information about leases for which the Company is a lessee is presented below.

<b>(i) Right-of-use assets</b>	<b>Property \$'000s</b>	<b>Medical equipment \$'000s</b>	<b>Total \$'000s</b>
Balance at 1 July 2023	15,366	327	15,693
Additions	2,922		2,922
Disposals	-	-	-
Depreciation charge for the year	(1,111)	(169)	(1,280)
Balance at 30 June 2024	17,177	158	17,335
Balance at 1 July 2022	17,198	497	17,695
Additions	342		342
Disposals	(493)	(11)	(504)
Depreciation charge for the year	(1,681)	(159)	(1,840)
Balance at 30 June 2023	15,366	327	15,693

<b>(ii) Lease liabilities</b>	<b>2024 \$'000s</b>	<b>2023 \$'000s</b>
<b><i>Maturity analysis – contractual undiscounted cash flows</i></b>		
Less than one year	1,758	1,580
One to five years	4,025	3,754
More than 5 years	47,016	41,666
<b>Total undiscounted lease liabilities as 30 June</b>	<b>52,799</b>	<b>47,000</b>

	<b>2024 \$'000s</b>	<b>2023 \$'000s</b>
<b><i>Lease liabilities included in the statement of financial position at 30 June</i></b>		
Current	1,006	952
Non-current	17,125	15,334
	<b>18,131</b>	<b>16,286</b>

<b>(iii) Amounts recognised in profit or loss</b>		
Interest on lease liabilities	688	666
Depreciation expense on ROU assets	1,280	1,840
Expenses relating to leases of low value assets, excluding short-term leases of low-value assets	43	59
	<b>2,011</b>	<b>2,565</b>

NOTES TO THE FINANCIAL STATEMENTS: Key numbers  
FOR THE YEAR ENDED 30 JUNE 2024

A8 LEASES (continued)

(iv)	Amounts recognised in the statement of cash flows	2024 \$'000s	2023 \$'000s
	Payment of principal portion of lease liabilities	1,064	1,720
	Payment of interest portion of lease liabilities	688	666
	Total cash outflow for leases	1,752	2,386

## NOTES TO THE FINANCIAL STATEMENTS: Financing activities and risk management FOR THE YEAR ENDED 30 JUNE 2024

This section provides information which will help users understand the financing and risk managed activities of the Company.

### B1 CASH AND CASH EQUIVALENTS

	2024 \$'000s	2023 \$'000s
Cash and cash equivalents	74,256	82,774

#### (i) Accounting policy

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

### B2 INVESTMENTS

	2024 \$'000s	2023 \$'000s
<b>Current</b>		
Financial assets at fair value through profit or loss	171,482	183,263
	171,482	183,263

#### (i) Accounting policy

Refer to note E6, Other Accounting Policies, Financial Instruments.

#### (ii) Fair value

The measurement of fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is included in note E4.

The Company has classified investments as level 1 in that the fair value is traded in active markets. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

## NOTES TO THE FINANCIAL STATEMENTS: Financing activities and risk management FOR THE YEAR ENDED 30 JUNE 2024

### B3 CASH AND INVESTMENTS – FINANCIAL RISK MANAGEMENT

#### Interest rate risk

The Company's main interest rate risk arises from cash and bank deposits earning variable rates and long-term borrowings with variable rates. These expose the Company to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates.

The variable risk on financial assets is managed by an investment policy that restricts the type and term of investments. The Company also retains independent advisors to recommend and place investments in accordance with this policy. The term of the investments is determined after consideration of the liquidity needs of the Company.

### B4 BORROWINGS

	2024 \$'000s			2023 \$'000s		
	Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>						
Commonly controlled entities loan (ii)	-	18,000	18,000	-	18,000	18,000
Parent entity loans (iii)	192	617	809	192	809	1,001
Parent entity loans (iv)	1,180	3,224	4,404	-	-	-
	<b>1,372</b>	<b>21,841</b>	<b>23,213</b>	192	18,809	19,001

#### (i) Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. If a substantial modification is made to a loan arrangement, that loan is remeasured at fair value at the date of modification and subsequently carried at amortised cost. Fees paid on loan facilities' establishment is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (ii) Commonly controlled entities loan

This loan is unsecured, repayable on demand by St Vincent's Healthcare Limited and St Vincent's Healthcare Limited reserves the right to charge interest, although it is not presently doing so.

St Vincent's Healthcare Limited must provide 365 days notice in order to recall the loan, to allow both parties to categorise the loan as non-current in each of their statutory accounts.

#### (iii) Parent entity loans (current and non-current)

The Workday Project is a Human Resource Information System, implemented in 2017 and initially funded by SVHA. A loan was consequently created for SVHNS to repay \$1,960,000 over 10 years commencing 1st June 2018. Repayments consisted of \$192,000 (2023: \$192,000) for the balance of the loan as per agreed schedule. The loan attracts an interest rate of 3.5% per annum.

#### (iv) Parent entity loans (current and non-current)

The Network Modernisation CAPEX project is initially funded by SVHA. A loan was consequently created for SVHNS to repay \$4,404,772 over 4 years. Repayments consist of \$1,180,000 per annum.



## NOTES TO THE FINANCIAL STATEMENTS: Financing activities and risk management FOR THE YEAR ENDED 30 JUNE 2024

### B4 BORROWINGS (continued)

#### (v) Financial risk management

##### Market risk - Interest rate risk

The Company's main interest rate risk arises from cash and bank deposits earning variable rates and long-term borrowings with variable rates. These expose the Company to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates.

The variable risk on financial liabilities is managed by ensuring that the term for loan repayments reflect the underlying duration of the cash flow generated, cash inflows provide a prudent level of coverage of principal and interest repayments and that there are sufficient cash reserves held to maintain principal and interest repayments for a sufficient period of time to enable longer term corrective actions to occur should underlying cash flows be disrupted.

##### Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities. The Company maintains cash equivalents and short term investments with appropriately rated financial institutions and the maturity of these investments is such that funds mature as needed.

##### Maturity of borrowings

The table below analyses the Company's borrowings into relevant maturity groupings based on the period remaining until the contractual maturity date.

	2024 \$'000s	2023 \$'000s
<b>Borrowings</b>		
Within one year	1,372	192
Later than one year but not later than five years	21,841	18,809
Later than 5 years	-	-
	<b>23,213</b>	<b>19,001</b>

**NOTES TO THE FINANCIAL STATEMENTS: Group Structure**  
**FOR THE YEAR ENDED 30 JUNE 2024**

This section provides information which will help users understand how the group structure affects the financial position and performance of the Company as a whole.

**C1 ULTIMATE PARENT ENTITY AND MEMBER’S GUARANTEE**

On 1 July 2009, the Congregation of the Religious Sisters of Charity of Australia and the Trustees of the Sisters of Charity of Australia transferred the incorporated Health Ministry to TMAM. From an accounting viewpoint, the ultimate Australian parent entity is the Trustees of the Sisters of Charity of Australia on the basis that it is the sole member of TMAM. In practice, TMAM, however constituted, exercises ultimate control.

If the Company is wound up the constitution states that each member is required to contribute a maximum of \$100 each towards meeting the obligations of the Company. At 30 June 2024, the Company had 1 member (2023: 1) so the maximum amount to be contributed towards meeting the obligations of the Company would be \$100 (2023: \$100).

**C2 COMMONLY CONTROLLED ENTITIES**

For the year ended 30 June 2024, the St Vincent’s Health Australia Limited wholly-owned group consists of the following commonly controlled entities. St Vincent’s Health Australia Limited is the sole member of each of these entities.

St Vincent’s Private Hospitals Ltd	The Trustee for St Vincent’s Clinic Foundation
St Vincent’s Care Services Limited	St Vincent’s Curran Foundation
St Vincent’s Clinic	St Vincent’s Hospital (Melbourne) Limited
St Vincent’s Health Australia Foundation Queensland	St Vincent’s Hospital Sydney Limited
St Vincent’s Health Australia Foundation Victoria	St Vincent’s Healthcare Limited
Victor Chang Cardiac Research Institute <sup>2</sup>	Aikenhead Centre for Medical Discovery Limited
St Vincent’s Private Hospital Northside Limited	St Vincent’s Institute of Medical Research <sup>2</sup>
St Vincent’s Care Services Boondall Ltd <sup>4</sup>	St Vincent’s Care Services Carseldine Ltd <sup>4</sup>
St Vincent’s Community Health Ltd <sup>1</sup>	St Vincent’s Clinic Research Foundation Ltd <sup>3</sup>

<sup>1</sup> St Vincents & Mater Health Sydney Limited renamed to St Vincent’s Community Health Ltd

<sup>2</sup> Reporting date 31 December

<sup>3</sup> St Vincent’s Clinic Research Foundation Ltd was incorporated at 2 May 2023

<sup>4</sup> St Vincent’s Care Services Boondall and St Vincent’s Care Services Carseldine merged with St Vincent’s Care Services Ltd at 1 Nov 2023 and deregistered at 10 July 2024

## NOTES TO THE FINANCIAL STATEMENTS: Group Structure FOR THE YEAR ENDED 30 JUNE 2024

### C3 RELATED PARTY TRANSACTIONS

Transactions with related parties during the year ended 30 June 2024 consisted of:

- (a) Recovery of costs for the provision of management, clinical and administrative services; and
- (b) Payment for the provision of management, clinical and administrative services.

Management and administrative services referred to in (a) and (b) above are provided at cost. Otherwise the above transactions were made on normal commercial terms and conditions and at market rates.

The following transactions occurred with joint ventures and other related parties:

	2024 \$'000s	2023 \$'000s
<b><i>Income from the provision of management, clinical and administrative services to:</i></b>		
Parent entity	903	1,660
Commonly controlled entities	14,277	502
Other related parties	17,168	9,287
<b><i>Interest revenue from:</i></b>		
Commonly controlled entities	23	27
<b><i>Expenses relating to the provision of management, clinical and administrative services by:</i></b>		
Parent entity	20,186	18,984
Commonly controlled entities	3,676	52
Other related parties	24,248	23,814

**NOTES TO THE FINANCIAL STATEMENTS: Group Structure**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**C3 RELATED PARTY TRANSACTIONS (continued)**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2024 \$'000s			2023 \$'000s		
	Current	Non-current	Total	Current	Non-current	Total
<b>Receivables</b>						
<b>Amounts due from related parties</b>						
Parent entity	320	-	320	5,776	-	5,776
Commonly controlled	761	346	1,107	308	453	761
Other related parties	5,878	-	5,878	5,127	-	5,127
	<b>6,959</b>	<b>346</b>	<b>7,305</b>	<b>11,211</b>	<b>453</b>	<b>11,664</b>
<b>Payables</b>						
<b>Amounts due to related parties (unsecured)</b>						
Parent entity	4,550	-	4,550	8,355	-	8,355
Commonly controlled	50	-	50	1	-	1
Other related parties	4,354	-	4,354	5,004	-	5,004
	<b>8,954</b>	<b>-</b>	<b>8,954</b>	<b>13,360</b>	<b>-</b>	<b>13,360</b>
<b>Borrowings</b>						
<b>Loan from related party</b>						
Commonly controlled (note B4)	-	18,000	18,000	-	18,000	18,000
Parent entity (note B4)	1,372	3,841	5,213	192	809	1,001
	<b>1,372</b>	<b>21,841</b>	<b>23,213</b>	<b>192</b>	<b>18,809</b>	<b>19,001</b>

**C4 REMUNERATION OF AUDITORS**

	2024 \$'000s	2023 \$'000s
Ernst & Young fee for Financial Statement Audit	113	108
	<b>113</b>	<b>108</b>

**NOTES TO THE FINANCIAL STATEMENTS: Group Structure**  
**FOR THE YEAR ENDED 30 JUNE 2024**

This section provides information about items that are not recognised in the financial statements but could potentially have a significant impact on the Company’s financial position and performance.

**D1 COMMITMENTS**

**Capital commitments**

Commitments for capital projects contracted for at the statement of financial position date but not recognised as liabilities are as follows:

	2024 \$'000s	2023 \$'000s
Within one year	-	-
	-	-

**D2 CONTINGENT LIABILITIES**

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

There are no known contingent liabilities of the Company at 30 June 2024.

**D3 SUBSEQUENT EVENTS**

There have been no material transactions or events occurring subsequent to year end that require adjustment to, or disclosure in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Company, but must be disclosed to comply with the Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

## E1 KEY MANAGEMENT PERSONNEL

### Directors

The names of persons who were Directors of St Vincent's Health Australia Limited at any time during the financial year are set out below.

Mr. P McClintock AO	Ms. A Cross AM
Dr. M Coote	Ms. S McGregor
Prof. V Perkovic	Ms. J Watts
Ms. S McPhee AM	Mr. P O'Sullivan
Ms. A McDonald	Mr. D O'Brien
Ms. K Bailey-Lord	Ms. A Barker

### Executives

Other than Directors, key management personnel include those having the authority and responsibility for planning, directing and controlling the Company's activities directly or indirectly.

The names and position of key management personnel (other than Directors) are:

Mr. C Blake <sup>1</sup>	Group Chief Executive Officer
Ms. K Gaffney <sup>2</sup>	Acting Group Chief Financial Officer
Mr. P Garcia <sup>3</sup>	Group General Manager, Public Affairs & General Counsel
Mr. L Hopper	Chief Executive Officer, St Vincent's Care Services
A/Prof. P O'Rourke <sup>4</sup>	Chief Executive Officer, Private Hospitals Division
Ms. N Tweddle <sup>5</sup>	Public Hospitals Chief Executive Officer, VIC State Lead
Ms. A McFadgen <sup>5</sup>	Public Hospitals Chief Executive Officer, NSW State Lead

<sup>1</sup> Appointed 4 October 2022. Ms. Ruth Martin Appointed Interim Group Chief Executive Officer from 29 March 2022 to 3 October 2022

<sup>2</sup> Commenced 21 August 2023. Previous Group Chief Financial Officer, Ms. Ruth Martin retired 18 August 2023, Ms. Belinda Johnson appointed Interim Group Chief Financial Officer from 29 March 2022 to 3 October 2022

<sup>3</sup> Commenced 4 September 2023. Rob Beetson, Group General Manager Legal, Governance & Risk retired 1 September 2023

<sup>4</sup> Chief Executive Officer Hospitals Division until 16 July 2023. Appointed Chief Executive Officer Private Hospitals Division 17 July 2023

<sup>5</sup> Appointed 17 July 2023 to the executive leadership team

### Compensation

The compensation paid to Directors and specified executives employed by the parent entity is borne by the parent entity.

The compensation paid to key management personnel is as follows:

	2024 \$'000s	2023 \$'000s
Total compensation paid to key management personnel	989	1,487
	989	1,487

## NOTES TO THE FINANCIAL STATEMENTS: Other FOR THE YEAR ENDED 30 JUNE 2024

### E2 ECONOMIC DEPENDENCY

Various controlled entities involved in the provision of public health and aged care services source a significant volume of their revenue from a number of Government entities including:

- NSW Ministry of Health
- Commonwealth Department of Health and Ageing
- Commonwealth Department of Veterans' Affairs

The revenues from these Government entities are expected to continue in the foreseeable future.

### E3 NATURE AND PURPOSE OF RESERVES

Member's reserve was created on the incorporation of the parent entity.

Available-for-sale investments revaluation reserve records movements in the fair value of available-for-sale financial assets.

The revaluation reserve records movements in the fair value of property, plant and equipment.

### E4 FAIR VALUE HIERARCHY

Financial assets at fair value through the profit or loss and available-for-sale investments are measured at fair value in the Balance Sheet. The measurement of this fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between the levels during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

#### E5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

##### New and amended standards and interpretation

Several amendments and interpretations apply for the first time in the period beginning on or after 1 July 2023, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature of each new standard or amendment is described below:

Reference	Description
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates and AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	The amendments to AASB 1060 and AASB Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements. The amendments to AASB 108 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company’s consolidated financial statements.

#### E6 OTHER ACCOUNTING POLICIESE6 OTHER ACCOUNTING POLICIES

##### AASB 16 Leases

At Inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of the physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either the Company has the right to operate the asset, or the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

#### ***Significant accounting judgements, estimates and assumptions***

In applying AASB 16, the Company has made the following judgements.

In determining the lease term used to ascertain total future lease payments, the Company considers all facts and circumstances that create an economic benefit to exercise an extension option. Renewal options are only considered to be part of the lease term if the lease is reasonably certain to be extended. The Company has included renewal periods as part of the lease term for leases where it is reasonably certain they will be extended. This assessment is reviewed if a significant event or significant changes in circumstances occurs which affects this assessment and is also within the control of the Company.

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The IBR is the interest rate that the lessee would have to pay to borrow over a similar term of each lease. The Company estimates the IBR using market interest rates.

#### **As a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under purchase option that Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### ***Short term leases and leases of low-value assets***

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

#### **Concessionary leases**

Concessionary leases are leases where the consideration paid by the lessee is significantly less than its fair value. The Company has identified one concessionary lease for St Vincent's Hospitals Network Sydney ("SVHNS"), the Lowy Packer building which is leased by the Trustees of SVHNS until 2035.

#### **Extension options**

Some property leases contain extension options exercisable by the Company. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 Revenue from Contracts with Customers applies to all revenue arising from contracts with customers unless the contracts are in the scope of other standards. The Company is required to consider the five-step model to contracts with customers, and is required to recognise revenue to depict the transfer of goods or services in an amount that reflects consideration to which the Company expects to be entitled to.

Under AASB 15, revenue is recognised on satisfaction of the performance obligations of the entity, being the provision of medical services to patients and residents. Revenue is recognised over time as services are provided:

- Patient and resident income is recognised when services are provided.
- Government grants and subsidies income is recognised as the right to receive payment is established.
- Non-medical revenue is recognised when services are provided.
- Donations (including trust estate distributions income) are recognised upon receipt.

#### **Finance costs**

Finance costs include interest, amortisation of discounts or premiums related to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Company for the construction of a qualifying asset, the amount of financing costs capitalised are those incurred in relation to that borrowing.

#### **Goods and services tax**

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority (in which case the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense). The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Cash flows are included in the Cash Flow Statement including GST in the operating cash flows. Commitments and contingencies are disclosed net of GST recoverable from, or payable to, the taxation authority.

#### **Income tax**

The Company and its controlled entities are exempt from income tax under the provisions of Section 50-30 of the *Income Tax Assessment Act 1997*.

#### **Government grants and subsidies**

Government grants, subsidies and COVID-19 subsidies are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

#### Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

#### Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

#### Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i) Financial assets

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### **Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes loans, advances, receivables (including trade receivables and other receivables), and held-to-maturity investments.

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the

## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### ***Impairment of financial assets***

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables note A3

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.ii) Financial liabilities

#### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

#### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

##### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS: Other

### FOR THE YEAR ENDED 30 JUNE 2024

#### *Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Software-as-a-Service (SaaS) arrangements**

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. As such the Company does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

- Recognise as an operating expense over the term of the service contract - Fee for use of application software, customisation costs
- Recognise as an operating expense as the service is received - Configuration costs, data conversion and migration costs, testing costs, training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

## DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2024

In the Directors' opinion:

(a) the financial statements and notes set out on pages 14 to 44 of the Company are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

(i) complying with Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2022*; and

(ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



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Mr. Paul McIntock AO, Chair

Sydney

10 October 2024

## Independent auditor's report to the members of St Vincent's Hospital Sydney Limited

### Opinion

We have audited the financial report of St Vincent's Hospital Sydney Limited (the Company), which comprises the balance sheet as at 30 June 2024, the profit or loss account and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes to the financial statements, including a summary of material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

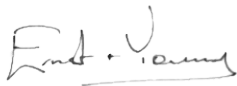
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Anton Ivanyi  
Partner  
Sydney  
10 October 2024