

Governance Statement

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Introduction

St John of God Health Care (**SJGHC**) is committed to excellence in governance. While there is no single model of practice applicable to every organisation, SJGHC's approach to governance as outlined in this document is informed by the key principles described in:

1. *Corporate Governance Principles 4th edition* published by the Australian Stock Exchange (ASX) Corporate Governance Council; and
2. *Not for Profit Governance Principles (2nd edition)* published by the Australian Institute of Company Directors (AICD). Though SJGHC is not a listed entity, the ASX principles represent a standard of corporate governance suited to SJGHC's scale and breadth of services.

Please refer to the Appendix – 'Matrices of Principles' for mapping from ASX and AICD principles to relevant governance documentation and functions.

Mission, Vision & Values

Recognising that governance is the system by which entities are directed and managed, it is important to note that SJGHC's approach to corporate governance serves to support our Mission, Vision and Values.

SJGHC's Mission is *to continue the healing mission of Jesus*.

Our Vision is that we are recognised for care that provides healing, hope and a greater sense of dignity, especially to those in need.

Our Values reflect our heritage and inform our expected behaviours. These are:

- **Hospitality** – *A welcoming openness, providing material and spiritual comfort to all.*
- **Compassion** – *Feeling with others and striving to understand their lives, experiences, discomfort and suffering, with a willingness to reach out in solidarity.*
- **Respect** – *Treasuring the unique dignity of every person and recognising the sacredness of all creation.*
- **Justice** – *A balanced and fair relationship with self, neighbour, all of creation and with God.*
- **Excellence** – *Striving for excellence in the care and services we provide.*

Strategy

SJGHC places the patient and needs of our communities at the centre of everything we do. It also sets the highest possible standards of clinical excellence and safety in the delivery of compassionate, person-centred care.

SJGHC's strategic intent is to be the best performing healthcare organisation in Australia by 2025 achieved through the strategic themes and enablers outlined below.



Corporate Structure

SJGHC has a two-tiered governance structure comprising the Trustees and the Board. The Trustees are the Canonical Stewards of the Ministry. The Board is accountable to the Trustees for the ongoing stewardship and development of the organisation including all aspects of its Mission, service delivery and financial performance.

St John of God entities

Name	St John of God Australia Ltd. (SJG Australia)	St John of God Health Care Inc. (SJGHC)
Type of entity	Company limited by guarantee under the <i>Corporations Act (2001)</i> and A public juridical person (<i>PJP</i>) under Canon Law.	Incorporated Association under the <i>Associations Incorporation Act (2015) WA</i> Registered charity under the ACNC.
Members	Congregation of the Sisters of St John of God Hospitaller Order of St John of God Brothers Archdiocese of Perth Archdiocese of Melbourne Diocese of Broome Diocese of Geraldton Diocese of Bunbury Diocese of Ballarat Diocese of Sale Diocese of Parramatta Archdiocese of Sydney	The directors of SJG Australia, the <i>Trustees</i> : Ms Eva Skira AM (chair) BA (Hons), MBA, FAICD, FAIM, SF FINSIA, FGIA Rev Dr Joseph Parkinson STL PhD Mr Frank Cooper AO B.Com (UWA) Ms Danielle Cronin BEcon, MPPP, MAICD, MACEL Mrs Mary McComish LLB (UWA), LLM (London) Mr John (Jack) Moore MAICD Mr Mark Murphy LLB (UWA), BJuris (UWA), FLWA Prof Susan Pascoe AM BA, Dip Ed, GDSE, M Ed Admin (Hons), FAICD, FIPAA, FACE Hon Neville Owen AO, KCSG, LLB (Hons), LLD (Hon)
Directors	<i>The Trustees</i> Ms Eva Skira AM (chair) BA (Hons), MBA, FAICD, FAIM, SF FINSIA, FGIA Rev Dr Joseph Parkinson STL PhD Mr Frank Cooper AO B.Com (UWA) Ms Danielle Cronin BEcon, MPPP, MAICD, MACEL Mrs Mary McComish LLB (UWA), LLM (London) Mr John (Jack) Moore MAICD Mr Mark Murphy LLB (UWA), BJuris (UWA), FLWA Prof Susan Pascoe AM BA, Dip Ed, GDSE, M Ed Admin (Hons), FAICD, FIPAA, FACE Hon Neville Owen AO, KCSG, LLB (Hons), LLD (Hon)	<i>Board members</i> Hon Kerry Sanderson AC CVO (chair) BSc, BEcons, Hon Dlitt, FAICD Mr Peter Prendiville BCom Dr Shane Kelly MBBS, MBA, MPH, FRACMA, FCHSM, CHE, FAIM, FAICD Mr Adrian Arundell BCom, FCA, SF Fin Dr Julie Caldecott MBBS, MBA Mr Justin Carroll Bcom, FCA Assoc Prof Rosanna Capolingua MB BS, FAMA, FAICD Mr Jack de Groot BA Dr Michael Levitt MBBS, FRACS Mr James McMahon MBA Dr Mark O'Brien MBBS, FRACGP, FACRRM, AFACHSM, GAICD, AMA (M)
	<i>All independent</i>	<i>All independent, with the exception of the Group CEO</i>

Relationship between SJG Australia & SJGHC

SJGHC is wholly owned and controlled by SJG Australia, a civil and canon law entity established to sponsor the ministry that was previously sponsored by the Sisters of St John of God. The Directors of SJG Australia ("Trustees") acting in their capacity as members of SJGHC appoint the directors of SJGHC ("Board members"), who in turn appoints the Group CEO of SJGHC (subject to Trustee ratification).

Accountability

MEMBERS OF SJG AUSTRALIA LTD

The Members of SJG Australia Ltd comprise the Public Juridical Persons who retain membership of SJG Australia Ltd, comprising the Congregation of the Sisters of St John of God, the Hospitaller Order of the St John of God Brothers and the dioceses in which the SJGHC Ministry operates.

Appoint

TRUSTEES

The Trustees are the canonical stewards of SJGHC. They exercise faith filled discernment in order to ensure SJGHC's Catholic identity and ministry, as well as its financial health. They exercise their role by: establishing the Mission, Vision and Values for the Ministry; providing leadership to the Ministry; ensuring the Ministry reflects the beliefs, teachings and traditions of the Catholic Church of Australia; influencing culture and setting high level objectives for strategic direction; exercising a right of approval for major strategic decisions; monitoring the performance of the Board; reporting on the Ministry to the Membership; and maintaining communications and relationships with the Catholic Church.

Appoint

Accountable

BOARD

The Board is collectively charged with the responsibility of leading SJGHC as a ministry of the Catholic Church. It directs, controls and oversees the affairs of SJGHC, subject to the reserve powers of the Trustees. It exercises its role by: participating with the Trustees in the setting of high level strategic vision for SJGHC; overseeing SJGHC's performance and the achievement of the high level vision; ensuring a values and ethical base for the conduct and activities of SJGHC; ensuring organisational performance including financial performance, safe and effective clinical care and optimised patient experience; and ensuring principle risks faced by the organisation are identified and managed.

Appoint

Accountable

Finance & Investment Committee

Audit & Risk Committee

Patient Experience & Clinical Excellence Committee

Mission Integration Committee

Remuneration & Nominations Committee

Digital Information & Technology Committee

GROUP CHIEF EXECUTIVE OFFICER

The Group CEO is responsible for the day-to-day management and operation of SJGHC within the authority delegated by the Board.

Appoint

Accountable

MANAGEMENT

Management are responsible for the day-to-day management and operation of SJGHC within the authority delegated by the Group CEO.

Corporate Governance Bodies

The Trustees

The Trustees are responsible for providing leadership to the Ministry as Canonical governors, a role previously undertaken by the Sisters of St John of God. In this role as stewards of the Mission, the Trustees ensure SJGHC's Catholic identity and ministry, as well as its financial health.

The Members of SJG Australia Ltd are responsible for appointing, removing, evaluating and succession planning of the Trustees. This responsibility is exercised pursuant to the recommendations of a Members Committee for the Appointment of Directors of SJG Australia Ltd.

At the time of this Statement, all of the Trustees are independent.

The Board and sub-committees

The role of the Board is to collectively carry out the Ministry of SJGHC. The Board directs, controls and oversees SJGHC's affairs, subject to the reserve powers of the Trustees.

The Board are responsible for approving the strategic plan and overall budget of the organisation.

The Trustees appoint the members of the Board by resolution and in accordance with Trustee policy requiring appropriate skills base, capabilities and competencies.

At the time of this Statement, all Board members are independent, with the exception of the Group CEO.

The role of the GCEO & management

The Board delegates the day to day operational management of the organisation to the Group CEO, who in turn, delegates authority to his/her executives pursuant to the appropriately defined and delegated protocols.

Culture & ethics

SJGHC is committed to the highest levels of ethical conduct consistent with the teachings of the Catholic Church, as well as its Vision, Mission and Values.

Framework supporting leadership and decision making

The Board and Trustees have a number of key documents which provide guidance to management on the leadership and decision making processes to be applied to ensure commitment to the Vision, Mission and Values. These documents include a Mission Discernment Framework to ensure that reflection and mission discernment informs key decision making and that decisions are made in line with Catholic Social Teaching principles. A Leadership Formation Framework which provides a formation pathway for Trustees, Board and management.

Board and management have also implemented a number of key documents and policies to facilitate continued ethical conduct throughout the organisation as well as to satisfy relevant legislation. These include:

- Code of Conduct
- Socially Responsible and Ethical Business Practices (including principles in the Modern Slavery Act)
- Whistleblowing
- Fraud & Corruption Control
- Equal Opportunity & Diversity
- Managing Conflicts of Interest
- Gifts, benefits & hospitality

Formation

Formation is the process of reflective practice that supports the ongoing development of caregivers, personally and communally. The organisation's Formation commitment supports caregivers in their understanding of and commitment to the Mission.

Remuneration

Remuneration of all senior leaders of SJGHC is determined in accordance with the various demands of the position, considering relevant sector rates and in conjunction with external advice where appropriate.

Trustees are remunerated for their governance services provided to SJGHC .

The Trustees determine the appropriate remuneration for Board members.

The Board determines the remuneration of the Group CEO and executives based on the recommendations of the Remuneration and Nominations Committee, subject to performance against key metrics.

Corporate Reporting

Board attestation statement required by the National Safety & Quality Health Service Standards (NSQHS)

The Patient Experience & Clinical Excellence Committee assists the Board to make its formal Governing Body Attestation Statement required by the *National Safety & Quality Health Service Standards*, attesting to accountability for safety, quality and clinical governance processes as set out within the standards.

Financial statements

The Audit & Risk Committee assists the Board in fulfilling its fiduciary, corporate governance and oversight responsibilities in relation to SJGHC's financial reporting. The committee reviews the audited accounts and the management representation process and resolves to recommend to the Board to approve the accounts. The final statement of accounts are then signed by the Chair of the Board and the Chair of the Audit & Risk Committee.

Risk management

SJGHC has a sound risk management framework which is periodically reviewed to reflect contemporary practice.

Clinical risk

The Patient Experience & Clinical Excellence Committee assists the Board in fulfilling its responsibilities with respect to clinical risk, governance systems, processes and oversight, particularly with regard to patient safety and care/service quality. The dedicated clinical governance and patient experience teams provide regular reporting on key measures/performance indicators to the Committee as well as to the Board.

Key aspects of clinical governance are outlined in the organisation's Patient Experience and Clinical Excellence Framework. These are:

1. Leading for clinical excellence
2. Partnering with patients to deliver outstanding care
3. Ensuring an appropriately skilled workforce
4. Placing patient safety first
5. Achieving clinical excellence.

Cyber risk

The Digital and Technology Committee assists the Board in fulfilling its fiduciary, corporate governance and oversight responsibilities in relation to SJGHC's usage, investment and security of IT assets. The committee oversees all aspects of major IT investments, cyber security as well as the development and progress against the digital strategy. There is also a dedicated cyber security team which manages implementation of cyber security controls and monitors their effectiveness.

Financial risk

The Trustees set a Prudential Financial Framework (PFF) to articulate the overall appetite for financial risk and to ensure ongoing sustainability of the organisation. The PFF is developed by the Board through the Finance and Investment Committee and approved by the Trustees. The Finance and Investment Committee supports the Board to

discharge its responsibilities with respect to the financial management of the organisation by monitoring its overall financial structures, key financial risks (including interest and foreign exchange rate risk), financial performance, borrowing arrangements and key finance policies.

Enterprise risk

The Board determines key strategic risks and overall risk appetite statement at its annual Board Risk Workshop. SJGHC has a dedicated enterprise risk team which supports operations in embedding effective risk management.

The Audit & Risk Committee assists the Board in fulfilling its fiduciary, corporate governance and oversight responsibilities in relation to the organisation's internal control structure, risk management (including compliance) systems, and the internal and external audit functions.

Internal audit

SJGHC has a co-sourced internal audit model, comprising an inhouse internal audit team working with an internal audit provider to assist in managing the organisation's risks. The team works to a strategic, risk-based annual internal audit plan testing key controls across facilities and support services. All reports are provided to the Audit & Risk Committee together with regular updates on emerging themes and tracking of management actions. The Patient Experience & Clinical Excellence Committee receives regular updates with respect to clinical themes emerging from audits.

Safeguarding

The SJGHC risk framework includes protecting vulnerable people and those disadvantaged by a power imbalance, whether that be a child, young adult or elderly person. This includes a Child Safety Strategy, with associated policy, for the safety and wellbeing of children and young people from abuse and neglect.

Communication and engagement with stakeholders and members

In a bicameral system of governance, effective communications are essential. There is an open and ongoing communication between the Trustees and the Board, through the Trustee Chair and Board Chair. The Trustees, Board and Management engage effectively with all of the organisation's key stakeholders. The Trustees foster relationships with the Members of SJG Australia and other key stakeholders. The Board and Management maintain relationships with key stakeholders including, but not limited to:

- Catholic church representatives
- Sisters of St John of God
- Other Catholic health providers (including via membership of Catholic Health Australia)
- Other private healthcare providers
- Relevant state and federal government representatives.