

Public Accounts Committee



LEGISLATIVE
ASSEMBLY

The safety and quality of health services provided by Northern Beaches Hospital



Report 6/58 – July 2026

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The motto of the coat of arms for the state of New South Wales is "Orta recens quam pura nites". It is written in Latin and means "newly risen, how brightly you shine".

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Membership

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Chair's foreword

The Northern Beaches Hospital inquiry raised issues of unusual public importance and was one of the most significant matters considered by the Public Accounts Committee during the 58th Parliament.

The inquiry was established in response to serious public concern about the safety and quality of health services at Northern Beaches Hospital, particularly following several tragic incidents that deeply affected patients, families and the broader community. The death of Master Joe Massa and the courageous advocacy of his parents, Elouise and Danny, became a catalyst for wider public scrutiny of the Hospital and the public private partnership model under which it was established and operated.

From the outset, the Committee was conscious that many of the matters giving rise to public concern may be the subject of coronial and other investigations. We therefore approached this inquiry with care and restraint. Our role was not to determine responsibility for individual clinical incidents, but to examine broader systemic issues relating to the governance, funding, staffing, management and operation of the Hospital.

The Committee heard from a large number of witnesses, including community members and people with lived experience of the Hospital, health practitioners, unions, professional associations, Healthscope, NSW Health, Northern Sydney Local Health District and the Audit Office of NSW. Due to the sensitive nature of much of the evidence and in light of potential coronial and other investigations, a significant amount of evidence was given confidentially. We also received a large number of submissions, many of which contained deeply personal accounts of interactions with the Hospital.

I wish to acknowledge the people who shared highly personal and often deeply distressing experiences with the Committee. Many did so while continuing to carry profound grief. They participated in the hope that lessons might be learned and future patients and families spared similar experiences. Their courage, dignity and generosity left a lasting impression on all members of the Committee.

I also acknowledge the health professionals who gave evidence to the inquiry. Throughout our work, the Committee heard consistent evidence about the dedication, professionalism and compassion of the Hospital's workforce. Whatever conclusions may be drawn about the systems within which they worked, the Committee recognised the commitment of staff to the care of their patients and the wellbeing of their community.

One of the central challenges of the inquiry was reconciling the Hospital's reported performance with the experience described by many witnesses. On many published measures, Northern Beaches Hospital performed well and often compared favourably with public hospitals across NSW. Yet the Committee also heard evidence of workforce pressures, governance frustrations, digital integration failures, concerns about staffing and equipment levels, and troubling accounts from patients and families.

The Committee concluded that many of the challenges experienced at Northern Beaches Hospital were not isolated operational failures but reflected structural tensions within the public private partnership model itself. Issues related to staffing, digital integration, governance, operational flexibility and accountability were interconnected and became increasingly difficult to address as operational realities diverged from the assumptions underpinning the Project Deed.

The Committee does not suggest that every challenge identified was unique to Northern Beaches Hospital or caused solely by the public private partnership. Many of the issues identified during the inquiry, including workforce pressures, increasing patient demand and system-wide capacity challenges, are being experienced across the health system. However, the inquiry highlighted the particular challenges that can arise when complex acute public healthcare services are delivered through long-term commercial contractual arrangements that depend on close integration with the broader public health system.

A recurring lesson through the inquiry was that risk transfer does not remove public responsibility. Governments remain accountable for ensuring that public healthcare services are safe, accessible and effective, regardless of who delivers them. Where services are outsourced or delivered through partnership arrangements, governments must retain sufficient visibility, oversight and practical intervention powers to respond when concerns arise.

The Committee also found that public hospitals cannot operate in isolation. Digital systems, workforce arrangements, clinical governance, incident management and service planning all depend on integration with the wider health system. Where that integration is incomplete, risks emerge that can impact staff, patients and the quality of care. The experience of Northern Beaches Hospital demonstrates that healthcare delivery depends not only on modern infrastructure and contractual performance, but also on relationships, coordination and trust across the broader health system.

The decision to return the public hospital component of Northern Beaches Hospital to public operation marks the beginning of a new chapter for healthcare on the Northern Beaches. Although many witnesses expressed optimism about this transition, it is an opportunity but not a guarantee of improvement. Transition alone will not resolve every issue identified during this inquiry. Sustained effort, investment, accountability and engagement with staff and the community will be required if trust is to be rebuilt and improvements are to be realised.

This report contains recommendations intended not only to support the successful transition of Northern Beaches Hospital but also to inform future decisions about the delivery of essential public services in NSW. At its heart, this inquiry is about more than just one hospital. It is about how governments balance efficiency, accountability, integration and public confidence when essential services are delivered through partnership arrangements.

I wish to thank my fellow Committee members for their diligence, professionalism and bipartisanship through this inquiry. I also acknowledge the Committee secretariat and parliamentary staff for their exceptional work in supporting the inquiry.

The experiences courageously shared with the Committee carried a common message: patients and families expect healthcare services that are safe, accountable and worthy of their trust. It is our hope that this report contributes to that objective and helps ensure that the lessons of Northern Beaches Hospital lead to meaningful and lasting change.

Jason Yat-sen Li MP

Chair

Introduction and executive summary

On 12 March 2025, the Hon. Ryan Park MP, Minister for Health wrote to the Public Accounts Committee referring an inquiry into the safety and quality of health services at Northern Beaches Hospital (the Hospital). The referral followed serious public concern about the safety and quality of services at the Hospital, including a number of high profile incidents.

We acknowledge that some members of the Northern Beaches community have had devastating experiences at the Hospital, including families that have lost loved ones in tragic circumstances.

We thank all individuals and families who chose to share their very personal experiences with the Committee. We are deeply saddened that some families and patients have experienced profound grief following presentation to the Hospital. This includes parents whose young children have died at the Hospital, in circumstances that have led to intense anger, frustration and confusion at what they experienced.

We extend our deepest sympathies to everyone who has experienced loss at the Hospital. For reasons discussed below, we are unable to comment on the specific details or causes of individual clinical incidents. We are also conscious that many people have chosen to share their experiences with us privately.

Our intention is that this report contributes to a greater understanding of the challenges and risks that can arise when essential public services are delivered through a public private partnership model. This inquiry has been conducted against a backdrop of significant public debate about the challenges experienced at the Hospital, and a legislative process that has responded to these challenges.

The Committee found that many of the challenges experienced at the Hospital were not isolated operational failures, but reflected structural tensions created by a rigid public private partnership model that sought to deliver complex acute public healthcare through constrained funding arrangements, extensive risk transfer and insufficient integration with the broader NSW Health system. While the Hospital frequently performed well against published quantitative measures, those measures did not adequately capture the reality often experienced by staff and patients at the Hospital.

Throughout the inquiry, the Committee heard strong evidence that Hospital staff, including clinicians, nurses, allied health professionals, paramedics and support staff, were highly committed to providing quality care in often challenging circumstances. Where high-quality care was delivered, it was frequently achieved through professional effort despite broader structural and operational constraints.

Master Joe Massa

In this inquiry's terms of reference, the Minister for Health directed the Committee to have regard to the death of Master Joe Massa. The Committee has been thinking of Joe, and his loving parents Louise and Danny, during this inquiry.

Joe was taken to the Hospital's emergency department on 14 September 2024. While in the emergency department Joe's health significantly deteriorated and he suffered a cardiac arrest.

Joe was later transferred to Sydney Children's Hospital, where he was diagnosed with severe irreversible brain damage. Joe's life support was withdrawn two days after first attending Northern Beaches Hospital.

We offer our sincere condolences to Elouise and Danny and their family, for the unfathomable pain they have experienced. We would also like to acknowledge Elouise and Danny's tireless and courageous advocacy to honour Joe's memory and affect lasting change to health services in New South Wales. The Health Services Amendment (PPP Prohibition) Bill 2025, known as 'Joe's Law', came into effect on 12 June 2025.

We note that the NSW State Coroner commenced a coronial inquest into Joe's death on 27 February 2025, and that the inquest aims to establish the cause and circumstances of his death.

Conducting the inquiry with respect to other investigations and proceedings

The terms of reference referred by the Minister for Health require us to have regard to, and conduct our inquiry in a manner which does not prejudice:

- any inquest undertaken by the State Coroner in relation to the death of Master Joe Massa at Northern Beaches Hospital in September 2024
- any internal investigation into the death of Master Joe Massa at Northern Beaches Hospital in September 2024.

As a result, we have conducted this inquiry with great care in respect of such investigations and proceedings, recognising the potential for criminal or civil proceedings to arise from the inquest or other investigations. The Committee consulted with the State Coroner during the inquiry. Consistent with the sub judice convention voluntarily observed by the House and its committees in relation to criminal proceedings, the Committee conducted its examination so as to avoid anything that may be prejudicial to the inquest, ongoing police or other investigations, or that may impact court proceedings or interfere with natural justice.

Consequently, the Committee does not comment on the specific details or causes of Joe's death, or any other specific clinical incident at the Hospital.

We received a large amount of evidence as part of this inquiry. This included submissions that we have chosen to keep fully or partially confidential.

Our report limits commentary, findings and recommendations to a systemic level consistent with the statutory jurisdiction of the Public Accounts Committee. This means that we do not discuss individual clinical incidents or make findings as to what may have led to specific care outcomes at the Hospital. There are avenues available to report such matters. Anyone with concerns about the individual care they or a loved one received at Northern Beaches Hospital may wish to consider making a complaint to the Health Care Complaints Commission. Information on how to make a complaint can be found on the Commission's website (<https://www.hccc.nsw.gov.au/>).

Outline of the report

Chapter One sets out the history of the Northern Beaches Hospital public private partnership and considers potential structural challenges within the project deed. Chapter Two explores operational issues flowing from uneven allocation of risk under the project deed, including the Hospital's IT systems, incident management, escalation pathways, staffing and equipment. In Chapter Three, the report considers the performance of the Hospital against public sector peers using available data, as well as evidence from healthcare workers and the Northern Beaches community. Chapter Four considers the Hospital's transition to public operation and the lessons that should be applied to future public private partnerships or outsourcing arrangements involving essential public services.

In summary, the Committee found that the delivery of acute public healthcare through a long-term commercial contract created tensions between financial sustainability, operational flexibility, public accountability and integration with the broader NSW Health system.

Chapter One – Northern Beaches Hospital project deed

In January 2015, the NSW Government finalised a contract (the project deed) with private operator Healthscope for the design, construction, operation and maintenance of a new hospital on Sydney's Northern Beaches. Under the project deed, Healthscope would build and operate a hospital providing public and private health services to the Northern Beaches community. Northern Sydney Local Health District (NSLHD) would pay Healthscope a discounted rate to provide public health services, meaning the State paid less than it would spend providing those services at a publicly operated hospital. In return, Healthscope could generate revenue from private patient services and from any efficiencies achieved in operating the Hospital.

Concerns about the Hospital were raised soon after it opened in 2018. In 2019, Legislative Council Portfolio Committee No. 2 – Health (PC2) commenced an inquiry into the operation and management of the Hospital. PC2 tabled its report in February 2020, making 23 recommendations across a range of issues. However, challenges with the Hospital and the public private partnership continued. In 2025, the Auditor-General for NSW published a performance audit report on the Hospital, making further recommendations for improvement.

The Committee considered whether the structure of the project deed may have contributed to the ongoing issues with the Hospital and the public private partnership. We examined whether the initial financial assumptions underpinning the deed were realistic and found that the project deed did not support the Hospital's long-term financial viability, given the complexity and operational costs of delivering public health services. We found that the deed was too rigid and lacked sufficient flexibility to accommodate needed adjustments as operational realities emerged, including the Maximum Payment Amount for health services and the restrictions on public health services provided at the Hospital.

Chapter Two – Operational challenges under the project deed

Healthscope was primarily responsible for operating the Hospital under the project deed, and was therefore liable for many operational risks. This provided financial and contractual benefits to the State by transferring substantial operational risk to Healthscope. However, the Committee found that the project deed's allocation of operational risk left NSLHD with limited

practical options to enforce or direct Healthscope's performance. Formal enforcement mechanisms were available to NSLHD under the project deed but the thresholds for their use were high, and the practical consequences of invoking them may have limited their effectiveness. Further, governance structures created under the project deed to help resolve ongoing issues were not effective.

The Committee found that the NSLHD focused on upholding the original risk allocation rather than adopting new strategies for addressing emerging issues and risks. These problems were particularly evident when considering the Hospital's IT systems, incident management systems, staffing and availability of equipment and supplies. Many operational issues were interconnected. Witnesses often linked workforce pressures, digital system shortcomings, governance limitations and operational strain to broader structural features of the public private partnership model, including risk allocation, constrained funding settings and limited integration with NSW Health.

The Committee recommends that within six months NSLHD consult with stakeholders and develop a post-transition safety, quality and operational improvement framework for the Hospital. We also recommend that NSLHD publicly report on this framework and its implementation every 12 months.

Chapter Three – The performance of the Northern Beaches Hospital

Chapter Three examines evidence about the Hospital's performance. We considered the data available on the Hospital's public health services compared with its publicly managed peer hospitals, and whether Healthscope met its key performance indicators under the project deed. This evaluation was based on data from the Bureau of Health Information, the National Safety and Quality Health Service Standards, rates of hospital-acquired complications, and limited available data and evidence about Serious Adverse Event Reviews.

The Committee also considered the evidence of healthcare workers and members of the Northern Beaches community. We found that, based on independent quantitative performance metrics, the Hospital performed well, and often better than peer hospitals on certain measures. However, this data does not align with the lived experience of many community members and Hospital staff who gave evidence to the Committee.

The Committee found that the key performance indicator regime was not an effective means of managing performance or risk at the Hospital. The inquiry highlighted that positive quantitative performance outcomes and serious stakeholder concerns can co-exist. The Committee therefore considers that quantitative performance measures alone are not a reliable indicator of quality.

Chapter Four – The future of Northern Beaches Hospital

Chapter Four of this report outlines the Hospital's transition to public management, which occurred earlier in 2026, and the challenges and opportunities this creates for NSW Health and the Northern Beaches community. The Committee found that the Hospital had a negative reputation that must be addressed by NSLHD in order to re-build public trust. Reputational damage is likely to have an impact on patient confidence, workforce recruitment and community perceptions of safety.

The Committee also acknowledges that recent legislative changes prohibit further public private partnerships for acute hospital services in NSW, while preserving some flexibility for government in limited circumstances.

Successful transition will require sustained attention to staffing, digital integration, incident management, equipment replacement, clinical governance and community trust. The Committee makes a series of recommendations to the NSW Government about how public private partnerships should be planned and managed. Those recommendations include testing the financial assumptions of a potential arrangement, ensuring funding arrangements are sufficiently flexible, considering how the distribution of operational risk may affect the State's ability to intervene where safety, service continuity or workforce sustainability are at risk and ensuring integration with public systems, and thoroughly consulting with stakeholders impacted by any future public private partnership in the delivery of essential public services.

Findings and recommendations

Chapter One - Northern Beaches Hospital project deed

Finding 1 _____ 8

The project deed did not support the Northern Beaches Hospital's long-term financial viability, given the clinical complexity and operational cost of delivering public health services.

Finding 2 _____ 8

The project deed was too rigid to accommodate needed adjustments as operational realities emerged.

Chapter Two - Operational challenges under the project deed

Finding 3 _____ 22

The project deed prioritised the allocation of risk to Healthscope and maintaining the financial benefit to the State, but did not provide sufficient flexibility, integration mechanisms or public sector control to ensure emerging operational risks could be effectively managed.

Finding 4 _____ 22

NSW Health and the Northern Sydney Local Health District focused on upholding the risks allocated under the project deed rather than adopting new strategies for addressing emerging issues and risks.

Finding 5 _____ 22

Formal enforcement mechanisms were available to Northern Sydney Local Health District under the project deed, however high thresholds for their use and practical consequences of invoking these may have limited their effectiveness for proactive risk management.

Finding 6 _____ 22

The governance structures in the project deed, such as governance committees, did not provide Northern Sydney Local Health District with timely or effective tools to address emerging operational and clinical risks.

Recommendation 1 _____ 23

That, within 6 months, Northern Sydney Local Health District should consult with staff, unions, the Medical Staff Council, consumer representatives, paramedics, the Clinical Excellence Commission and the Northern Beaches community to develop a post-transition safety, quality and operational improvement framework for Northern Beaches Hospital.

Recommendation 2 _____ 23

That, every 12 months, Northern Sydney Local Health District publicly report on the implementation of the post-transition safety, quality and operational improvement framework, and provide updates on IT integration, incident management, staffing levels, patient escalation systems, equipment replacement, clinical governance, complaints, and unresolved risks.

Finding 7 _____ 30

Despite being first identified in the 2019 Legislative Council inquiry, the governance and funding arrangements under the Northern Beaches Hospital public private partnership did not result in timely resolution of IT system integration risks, such that the Hospital operated for years without full integration into the NSW Health digital ecosystem.

Recommendation 3 _____ 31

That Northern Sydney Local Health District resolve the integration issues between the Northern Beaches Hospital's electronic medical record system and the Northern Sydney Local Health Districts and NSW Health's systems, now that the Hospital has transitioned back to public management.

Recommendation 4 _____ 31

That Northern Sydney Local Health District commission an independent clinical safety review of the recent upgrades to improve the integration of the electronic medical record system (Telstra Health eMR) and the patient administration system (webPAS). This review should assess whether the system upgrades are fit for purpose and adequately resolve integration issues within the emergency department.

Recommendation 5 _____ 31

That Northern Sydney Local Health District should:

- provide Northern Beaches Hospital staff with ongoing training and resources on how to use ims+ effectively, and
- within 6 months, conduct a review of the Hospital's incident management and risk theme analysis processes, identify any ongoing weaknesses in incident management processes and implement strategies to resolve identified weaknesses.

Finding 8 _____ 40

The Safe Staffing Levels initiative was not implemented at Northern Beaches Hospital despite this framework being progressively applied across NSW in the public health system.

Finding 9 _____ 41

Northern Beaches Hospital staff were working within a structure that left them routinely overstretched, unsupported and isolated from the wider NSW Health system.

Finding 10 _____ 41

Workforce pressures at Northern Beaches Hospital reflected systemic structural constraints rather than a lack of staff commitment or professionalism.

Recommendation 6 _____ 41

That Northern Sydney Local Health District ensure that staffing levels at Northern Beaches Hospital are consistent with other public hospitals, including through the implementation of the Safe Staffing Levels initiative and recommendations of the Clinical Excellence Commission, now that the Northern Beaches Hospital has transitioned to public operation.

Recommendation 7 _____ 41

That Northern Sydney Local Health District ensure that employment, pay and conditions of Northern Beaches Hospital staff are protected and not reduced, now that the Northern Beaches Hospital has transitioned to public operation.

Finding 11 _____ 49

Healthcare staff raised concerns about the replacement and refurbishment of medical equipment and cleaning supplies.

Recommendation 8 _____ 49

As part of the Hospital's transition to public operation, the Northern Sydney Local Health District should conduct an audit of equipment and supplies to ensure the Hospital is appropriately equipped to support safe and quality care.

Chapter Three – The performance of the Northern Beaches Hospital

Finding 12 _____ 51

Based on quantitative performance metrics, Northern Beaches Hospital has performed well when compared with peer hospitals; however, this data does not align with the lived experience of community members and hospital staff reported to the Committee.

Finding 13 _____ 57

The key performance indicator regime under the Project Deed was not an effective means of assessing performance or managing risk at Northern Beaches Hospital.

Finding 14 _____ 64

Quantitative performance measures alone were not a reliable indicator of the quality of healthcare at Northern Beaches Hospital.

Chapter Four – The future of Northern Beaches Hospital

Finding 15 _____ 70

Stakeholders broadly supported or noted benefits to the Northern Beaches Hospital's transition to public operation.

Recommendation 9 _____ 70

The NSW Government should consult with staff and unions on the immediate steps necessary to improve the safety and working conditions of staff at Northern Beaches Hospital and to support the safety and quality of health care services.

Finding 16 _____ 73

The Northern Beaches Hospital's reputation has negatively impacted patients' willingness to receive health services at the Hospital.

Recommendation 10 _____ 73

That the Northern Sydney Local Health District should keep the Northern Beaches community informed of transition arrangements and updated on the resolution of key Hospital issues in order to re-build public trust in the Hospital. These updates should form part of a post transition plan to ensure improvements are sustainably embedded at the Hospital

Finding 17 _____ 75

New public private partnership arrangements that provide for the construction of an acute hospital or complex, and the provision of acute hospital services at the constructed hospital, are now prohibited, subject to limited statutory exceptions to avoid unintended consequences.

Recommendation 11 _____ 76

For any future public private partnerships, the NSW Government should:

- ensure financial assumptions are appropriately understood and stress tested to determine long-term financial viability, and that funding arrangements are sufficiently flexible to accommodate changing patterns of demand, patient complexity and workforce pressures over the life of the contract
- consider how the distribution of operational risk may impact government agencies' ability to maintain and enforce best practices
- ensure that public sector agencies retain sufficient operational visibility, oversight powers and practical intervention mechanisms to respond rapidly to emerging safety or quality risks
- ensure that contracts contain clear public-interest override mechanisms where safety, service continuity or workforce sustainability are at risk
- ensure that staffing frameworks, workforce conditions and governance arrangements align closely with broader public system standards
- ensure that governance arrangements promote integration with surrounding public sector networks rather than institutional isolation and require that IT systems appropriately integrate with existing public sector systems
- incorporate a range of quantitative and qualitative performance measures, including input from staff and impacted communities, and
- include robust and ongoing consultation processes with staff and key stakeholders.

Chapter One – Northern Beaches Hospital project deed

Introduction

- 1.1 This chapter focuses on the project deed for the public private partnership that underpins the operations of Northern Beaches Hospital (the Hospital). The chapter begins by describing the characteristics of the public private partnership between Healthscope and the NSW Government, and the factors that prompted the partnership's establishment via the project deed.
- 1.2 The Hospital's ongoing scrutiny is also outlined, with particular reference to a 2019 Legislative Council inquiry into the hospital and the 2025 performance audit conducted by the Auditor-General for NSW.
- 1.3 The Committee's inquiry identified key shortcomings of the project deed. We found that the project deed did not support the Northern Beaches Hospital's long-term financial viability, and that it was too rigid to accommodate needed adjustments as operational realities emerged.
- 1.4 The Committee heard that the combination of the discounted price, volume caps, service restrictions and limited flexibility led to financial challenges for the Hospital operator (Healthscope). The Committee is of the view that these financial challenges contributed to cost control measures across the Hospital's staffing, investment in IT systems and equipment. These measures may have had an impact on the safety and quality of health services provided to the Northern Beaches community. These impacts are discussed further in subsequent chapters.

What is the Northern Beaches Hospital public private partnership?

- 1.5 The Northern Beaches Hospital was a private hospital with 488 beds located in Frenchs Forest. Following its construction the Hospital started receiving its first patients on 30 October 2018. Under a private operator the Hospital provided both public patient services and private hospital services.¹
- 1.6 On 2 May 2013, the NSW Government had called for Expressions of Interest from the private sector to design, build, operate, and maintain a new hospital on Sydney's Northern Beaches. After 'extensive evaluation', the NSW Government announced on 29 October 2014 that Healthscope was the preferred operator. A project deed was finalised following negotiations on 11 December 2014, with financial close reached on 28 January 2015.²

¹ [Submission 201](#), NSW Health, p 5; Healthscope, [Annual Report 2018](#), June 2018, p 12.

² NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 13. NBH public private partnership documents accessed via [NSW Treasury website](#). **Financial close** is the point when all financial and contractual obligations have been met, enabling the project to proceed. Queensland Treasury, [Appendix B – Public Private Partnership Supporting Guidelines – Project Summary Template](#), November 2025, p 1, accessed 24 April 2026.

- 1.7 This arrangement was a public private partnership and was governed by the project deed. The key parties to the project deed were Healthscope, Health Administration Corporation and Northern Sydney Local Health District (NSLHD).³ The Committee also notes that while NSLHD is a signatory to the project deed. NSLHD operates under the NSW Ministry of Health and within the wider NSW Health network, as such findings and recommendations directed at NSLHD should be considered within this context, and may require joint responsibility between multiple health agencies.

What are public private partnerships?

Public private partnerships are one way that the NSW Government can deliver public infrastructure. They are usually long-term agreements between the public and private sectors. While each public private partnership is different, they generally include:

- the delivery of infrastructure to support public services, using private sector skills to design, build, finance, operate or deliver public services
- sharing risks between the public and private sectors
- government contributions such as land, capital works, risk sharing
- service payments from the government or users to the private sector.⁴

- 1.8 Under the project deed, Healthscope agreed to deliver a new hospital (including the design, construction, financing and maintenance) and to deliver public patient services at the new hospital.⁵
- 1.9 Healthscope agreed to provide public patient services in the Public Patient Portion of the Hospital for an initial period of 20 years, ending in 2038, with an option to extend this by another five years. Healthscope also received a contractual ability to operate the Private Patient Portion of the Hospital for 40 years, until 2058.⁶
- 1.10 In return, NSLHD funded the construction of the Public Portion of the Hospital. This was paid on completion of the construction works.⁷ It was reported in the 2019-20 NSW Budget that the State capital contribution was \$600 million.⁸

³ [Submission 201](#), p 5; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 1.

⁴ NSW Treasury, [NSW Treasury Public Private Partnerships](#), accessed 24 March 2026.

⁵ Legislative Council Portfolio Committee No. 2 – Health, [Operation and management of the Northern Beaches Hospital](#), report 52, Parliament of New South Wales, February 2020, p 5.

⁶ [Submission 201](#), p 5, Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2025](#), November 2025, p 36; Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2024](#), September 2024, p 36.

⁷ Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2025](#), p 36; Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2024](#), p 36. The private hospital and the car park were fully funded by Healthscope. Northern Sydney Local Health District had no funding obligations for the private hospital. In its 2018 Annual Report, Healthscope reported that its delivery of the Hospital's construct was 'on track and within budget'. Healthscope, [Annual Report 2018](#), p 12.

⁸ NSW Treasury, [Budget Paper No. 2 - Infrastructure Statement](#), 2019-20 NSW Budget, 2019, p 2-3.

- 1.11 In addition, NSLHD also paid Healthscope on a monthly basis for its delivery of public patient services at the Hospital.⁹ These payments will be discussed in more detail later in this chapter.
- 1.12 Under the project deed, Healthscope was required to return all public portion assets back to NSLHD in 2038. NSLHD would then share a portion of the hospital facilities with Healthscope for 20 years (2038 to 2058).¹⁰ However, the entire Hospital has transitioned to public operation much earlier than was originally planned, following the passage of the Health Services Amendment (Northern Beaches Hospital Deed Termination) Bill 2025.¹¹
- 1.13 This report will examine Healthscope's delivery of public health services at the Hospital, since it commenced operating on 30 October 2018. Recent developments regarding the Hospital, including its return to public operation on 29 April 2026, are discussed further in Chapter Four.

What prompted the Northern Beaches Hospital public private partnership?

- 1.14 The Northern Beaches Hospital replaced the smaller Manly and Mona Vale hospitals.¹² The Committee heard that this provided Northern Beaches residents with 'convenience and choice ... in access to elective surgery, inpatient care, and high-quality specialist services' that were previously unavailable locally.¹³ The Hospital is supported across the Northern Beaches catchment by the Brookvale Community Centre and the redeveloped Mona Vale Hospital, which provides sub-acute and community health services.¹⁴
- 1.15 The Committee notes that the status of health services on the Northern Beaches had been under consideration for quite some time. Table 1 (overleaf) shows a brief timeline that outlines this consideration.

⁹ Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2025](#), p 36; Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2024](#), p 36.

¹⁰ Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2025](#), p 36; Northern Sydney Local Health District, [Financial statements for the year ended 30 June 2024](#), p 36.

¹¹ Parliament of New South Wales, [Health Services Amendment \(Northern Beaches Hospital Deed Termination\) Bill 2025](#), accessed 22 May 2026.

¹² Audit Office of New South Wales, [Northern Beaches Hospital](#), performance audit, report number #404, 17 April 2025, p 5.

¹³ David Jollow, Director Women's Health, Member of the Medical Advisory Committee, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 9.

¹⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 5.

Table 1: Reviews and business cases into health services on the Northern Beaches from 1999 to 2013¹⁵

1999	The first government review of the status of health services on the Northern Beaches started and there was an investigation into available options.
2004	The Legislative Council's General Purpose Standing Committee No. 2 commenced an inquiry into the operation of Mona Vale Hospital.
2006	The government announced that services from Manly and Mona Vale Hospitals would be consolidated into a new hospital at Frenchs Forest.
2011	A Business Case and Health Service Planning paper were commissioned. This original business case was finalised in 2012 and established the case for change, the preferred clinical services configuration as well as strategies for Community Health and the Mona Vale Hospital Campus.
2012	The options presented in the 2011-12 business case were tested and a revised Northern Beaches Hospital strategy was developed.
2013	This revised strategy informed a revised business case and led to the decision to deliver the Northern Beaches Hospital.

- 1.16 The Committee heard that the Northern Beaches community and local doctors had long advocated for the replacement of the ageing Manly and Mona Vale hospitals. Dr David Jollow, Director Women's Health, Member of the Medical Advisory Committee, NBH stated, 'Our community was sick of having to get to the Royal North Shore Hospital to receive specialised care.'¹⁶
- 1.17 Dr Jollow also noted that, prior to the Northern Beaches Hospital, there were no significant private hospital service on the Northern Beaches.¹⁷
- 1.18 On 2 May 2013, the Hon. Jillian Skinner, former Minister for Health explained that the public private partnership approach took into account that 60 per cent of Northern Beaches residents had private health insurance. The former Minister for Health further explained that 40 per cent of Manly and Mona Vale hospital patients had been using their private health insurance when treated at the hospitals.¹⁸
- 1.19 The Committee also heard that the 'built environment' of these hospitals presented significant challenges and that they 'were certainly not at a contemporary infrastructure standard'.¹⁹ Anthony Schembri, Chief Executive, Northern Sydney Local Health District, told the Committee that the new Northern

¹⁵ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 13; Legislative Council, General Purpose Standing Committee No. 2, [Operation of Mona Vale Hospital](#), report 19, Parliament of New South Wales, May 2005, p iv. The General Purpose Standing Committee No. 2 examined matters such as the closure of the intensive care unit, funding levels and the decision not to designate Mona Vale Hospital as a general hospital for the Northern Beaches.

¹⁶ David Jollow, [Transcript of evidence](#), 17 October 2025, pp 8-9.

¹⁷ David Jollow, [Transcript of evidence](#), 17 October 2025, p 9.

¹⁸ New South Wales, Legislative Assembly, [Parliamentary Debates](#), 3 May 2013 (Jillian Skinner, Minister for Health).

¹⁹ Anthony Schembri, Chief Executive, Northern Sydney Local Health District, [Transcript of evidence](#), 17 October 2025, pp 15, 21.

Beaches Hospital at Frenchs Forest delivered new infrastructure for the local community.²⁰

- 1.20 Mr Schembri also explained that the objective of the public private partnership was to enhance healthcare delivery on the Northern Beaches. It did this by replacing the existing outdated hospitals with a modern hospital capable of delivering more advanced services.²¹

What is role delineation?

Role delineation is a planning tool that has been used by NSW Health since the mid-1980s to define public hospital services according to a six scale model (Level 1 to Level 6). This tool defines the level of clinical services, and not hospitals or health facilities as a whole. Each level describes the minimum support services, workforce and other requirements for clinical services to be delivered safely. Level one services are more basic services and level six services are highly advanced services.²²

- 1.21 This included an uplift in role delineation, as the former Manly and Mona Vale hospitals operating largely at Level 4, compared with Northern Beaches Hospital, which delivers most services at Level 5, reflecting greater clinical complexity. The public private partnership, through its funding model, supported this expansion in service capability.²³

Northern Beaches Hospital has been the subject of ongoing scrutiny since its opening

- 1.22 Since its opening in October 2018 the Hospital has been subject to continued scrutiny. In 2019, Portfolio Committee No. 2 – Health was referred an inquiry into the Hospital's operation and management by the Legislative Council.²⁴ Then, in 2025, the Auditor-General for New South Wales tabled a performance audit on the Hospital.²⁵
- 1.23 Both the 2019 parliamentary inquiry and the 2025 performance audit report have been considered as part of the current inquiry, in accordance with items 3 and 4(b) in the inquiry terms of reference.

Overview of the 2019 parliamentary inquiry into the Northern Beaches Hospital

- 1.24 On 6 June 2019, the Legislative Council agreed to refer an inquiry into the Hospital's operation and management to Portfolio Committee No. 2 – Health

²⁰ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 15.

²¹ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, pp 15, 21-22.

²² [Submission 201](#), p 16; NSW Health, [Guide to the Role Delineation of Clinical Services \(2024\)](#), accessed 15 April 2026, p 5; NSW Health, [NSW Health Guide to the Role Delineation of Clinical Services](#), sixth edition, December 2024, p 5.

²³ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 15, 21-22; [Submission 201](#), pp 16-17.

²⁴ Legislative Council Portfolio Committee No. 2 – Health (PC2), [Operation and management of the Northern Beaches Hospital](#), report 52, Parliament of New South Wales, February 2020, pp 181-182.

²⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), performance audit, report number #404, 17 April 2025.

(PC2).²⁶ During the debate on the referral the Hon. Walt Secord MLC stated, 'Sadly, from the moment the hospital opened its doors, the project has lurched from crisis to crisis.'²⁷

- 1.25 The 2019 parliamentary inquiry examined matters such as the contractual arrangements establishing the Hospital, ongoing arrangements for operations, maintenance and staffing, and standards of service and care. The merits of the overarching public private partnership model were also examined.²⁸
- 1.26 The PC2 report was tabled on 27 February 2020, and found that the public private partnership model had the 'potential to negatively affect people from lower socioeconomic backgrounds residing in the catchment.'²⁹
- 1.27 PC2 also made 23 recommendations across a range of issues, including recommending that NSLHD and Healthscope work to fully integrate the Hospital into the operations of the public Local Health District.³⁰
- 1.28 PC2 acknowledged that 'substantial work' had been undertaken to move the Hospital forward from its initial opening issues and that the Hospital's performance results had improved.³¹ However, it also noted that ongoing oversight and transparency would be crucial to ensure 'quality care, patient safety and equity of access'.³² It further noted that almost every issue examined in the 2019 parliamentary inquiry appeared to link back to the public private partnership model.³³
- 1.29 On 27 August 2020, the former NSW Government responded to the 23 recommendations and advised that it supported 16 recommendations, noted 5 recommendation and did not support 2 recommendations.³⁴

Implementation of 2019 parliamentary inquiry recommendations

- 1.30 In their submissions to the current inquiry, both NSW Health and Healthscope advised that actions to implement supported recommendations have been completed.³⁵
- 1.31 Healthscope also advised that it provided NSLHD with regular updates on the implementation of recommendations up until September 2021, at which point a final update was provided that indicated recommendations were either

²⁶ New South Wales, Legislative Council, [Minutes](#), 6 June 2019, p 196.

²⁷ New South Wales, Legislative Council, [Parliamentary Debates](#), 6 June 2019 (Walt Secord).

²⁸ Legislative Council Portfolio Committee No. 2 – Health (PC2), [Operation and management of the Northern Beaches Hospital](#), report 52, Parliament of New South Wales, February 2020, p vii.

²⁹ New South Wales, Legislative Council, Minutes, 27 February 2020, p 806; PC2, [Operation and management of the Northern Beaches Hospital](#), p xi.

³⁰ PC2, [Operation and management of the Northern Beaches Hospital](#), p xiv.

³¹ PC2, [Operation and management of the Northern Beaches Hospital](#), p 164.

³² PC2, [Operation and management of the Northern Beaches Hospital](#), p 165.

³³ PC2, [Operation and management of the Northern Beaches Hospital](#), p 164.

³⁴ NSW Government, [Government response to recommendations of the inquiry into the Operation and management of the Northern Beaches Hospital](#), 27 August 2020, pp 3-11.

³⁵ [Submission 201](#), p 15; [Submission 236](#), Healthscope Group, pp 34, 65-67.

completed or completed with ongoing monitoring.³⁶ After September 2021, actions that required ongoing monitoring were monitored through other mechanisms, such as the Operational Service Group meetings.³⁷

- 1.32 However, this Committee notes that some stakeholders have recently raised concerns regarding whether some of the recommendations were ever 'fully operationalised'.³⁸ The implementation of relevant recommendations from the 2019 parliamentary inquiry will be discussed throughout this report.

Overview of the 2025 performance audit into the Northern Beaches Hospital

- 1.33 In May 2024, the Auditor-General for NSW commenced a performance audit of the Northern Beaches Hospital. Mr Bola Oyetunji, Auditor-General for NSW, advised that he was approached by three members of the Federal and New South Wales parliaments about the Hospital. After reviewing documents provided by these stakeholders, the Auditor-General determined that a performance audit was merited.³⁹
- 1.34 The performance audit assessed whether NSW Health agencies were ensuring the effective and efficient delivery of publicly funded hospital services from the Hospital. It also assessed whether Healthscope was effectively delivering public patient services. To assess the effectiveness of service delivery, the performance audit examined the Hospital's performance against the project deed's contractual requirements and compared the Hospital to relevant peer hospitals.⁴⁰
- 1.35 Overall, the Auditor-General concluded that the public private partnership

... is not effectively delivering the best quality integrated health services and clinical outcomes to the Northern Beaches community and the State – the standard required under the arrangement and the key objective of the project deed.⁴¹
- 1.36 The performance audit also found that the public private partnership was at risk of failure. It noted that Healthscope had sought an early return of the public portion of the Hospital citing 'insufficient funding, a lack of integration into the wider health network, and strained stakeholder relationships'.⁴²
- 1.37 Despite this, the performance audit found that – on a 'day-to-day' basis– NSLHD managed the contract effectively on behalf of the State and ensured that public health services were provided at a lower cost than if the State had been the operator. It was also noted that NSLHD enforced the project deed through collaboration within governance forums rather than through using formal enforcement tools.⁴³

³⁶ [Submission 236](#), pp 34, 65-67.

³⁷ [Submission 236](#), p 34.

³⁸ For example: [Submission 215](#), Members of the Medical Advisory Committee, Northern Beaches Hospital, pp 8-12.

³⁹ Bola Oyetunji, Auditor-General, Audit Office of New South Wales, [Transcript of evidence](#), 17 October 2025, p 2.

⁴⁰ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 1.

⁴¹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 1.

⁴² Audit Office of New South Wales, [Northern Beaches Hospital](#), p 1.

⁴³ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 1-2.

- 1.38 The performance audit found that the Hospital achieved national accreditation standards and often outperformed peer hospitals. However, some quality and safety concerns remained.⁴⁴ This included 'elevated rates of falls, third- and fourth-degree perineal lacerations, and birth trauma'.⁴⁵ The Auditor-General's report also identified that long-standing issues with the Hospital's information technology systems persisted and that the project deed itself did not support the Hospital's integration with the local health district and the wider health network.⁴⁶
- 1.39 The Auditor-General made three recommendations, including that as a priority the NSW Government and NSW Health consider whether the public private partnership model remained the most appropriate way to deliver the 'best quality integrated health care in the Northern Beaches region'.⁴⁷ An agreement was reached that led to the return of the Hospital to public operation on 29 April 2026.⁴⁸ This is further discussed in Chapter Four.
- 1.40 The Auditor-General also recommended that Healthscope address 'safety and quality, and system and reporting issues' by December 2025. This included sustainably addressing underperformance on hospital-acquired complications, minimising clinical risks from fragmented emergency department information technology systems, and strengthening incident management and reporting systems.⁴⁹
- 1.41 The Auditor-General also recommended that key lessons from the Northern Beaches Hospital public private partnership should be considered when developing contracts for any future outsourcing of health services.⁵⁰
- 1.42 The findings and recommendations from this performance audit have been considered throughout this report.

The project deed was structurally misaligned with the realities of acute public health care

Finding 1

The project deed did not support the Northern Beaches Hospital's long-term financial viability, given the clinical complexity and operational cost of delivering public health services.

Finding 2

The project deed was too rigid to accommodate needed adjustments as operational realities emerged.

⁴⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 2, 4.

⁴⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 1.

⁴⁶ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 1, 3.

⁴⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4.

⁴⁸ The Premier, Treasurer and Minister for Health, [Northern Beaches Hospital officially transitions to public hands](#), media release, 29 April 2026, accessed 6 May 2026.

⁴⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4.

⁵⁰ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4.

- 1.43 This section will examine the financial tensions within the project deed and how these appear to have contributed to the arrangement's financial viability and eventual failure. The combination of requiring Healthscope to provide service at a discounted cost, while also having a pre-determined activity volume, illustrates that the deed did not support the long term financial sustainability of the project. These factors appear to have been compounded by insufficient private patient revenues to offset losses on services provided to public patients.
- 1.44 We also note that the clinical complexity and operational costs associated with delivering public health services were not appropriately reflected in the deed. These limitations of the deed were also exacerbated by its rigid application, in which adjustments to the deed were not made to accommodate the day-to-day operational realities of providing public health services.

Public health services were provided at Northern Beaches Hospital by Healthscope at a discount to the State

- 1.45 One problematic area of the deed⁵¹ was the requirement that Healthscope provide services at a discounted price. As noted earlier, Northern Sydney Local Health District (NSLHD) paid Healthscope to deliver public patient services at Northern Beaches Hospital, per the terms of the project deed. These public patient services were purchased at a discounted price compared to what would have been paid to a publicly operated hospital.
- 1.46 Prior to the beginning of each operating year (July to June), NSLHD prepared an Annual Notice which included an Activity Profile. The Activity Profile outlined the type and volume of services that NSLHD had determined it would purchase from Healthscope for the upcoming operating year. These services were organised into six service categories (see below).⁵²
- 1.47 NSLHD would then pay Healthscope on a monthly basis for the actual public patient services it delivered across the following service categories:
- general admitted
 - renal dialysis
 - mental health
 - interventional cardiology
 - emergency department
 - non-admitted patients.⁵³
- 1.48 The monthly service payment to Healthscope included ten components, the principal of which was a fee for services based on the actual volume of services delivered. The figure below outlines how the fee for services were calculated.

⁵¹ This report uses a public version of the project deed and a public contract summary as source material. It is noted that public version of the project deed contains various redactions which are outlined in a public explanatory table. For example: NSW Treasury, [Project Deed - Northern Beaches Hospital](#); NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#); NSW Treasury, [Government Information \(Public Access\) Act 2009 Explanatory Table – Project Deed, Northern Beaches Hospital: Construction and Operation](#).

⁵² [Submission 201](#), p 6; Audit Office of New South Wales, [Northern Beaches Hospital](#), p 7; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), pp 22, 24, 67.

⁵³ [Submission 201](#), p 6; [Financial statements for the year ended 30 June 2025](#), p 36.

$$\text{Fee for services}^{54} = \text{discounted State Price per Service category} \times \text{actual volume of services provided per Service category}$$

- 1.49 The publicly available project deed does not disclose the discount amount applied to the State Price per service category. However, Members of the Medical Advisory Committee, NBH advised that public patient services were provided at a five per cent discount compared to the National Weighted Activity Unit cost. They described this discount as a 'significant underfunding'.⁵⁵

What is the National Weighted Activity Unit cost?

The National Weighted Activity Unit (NWAU) is a way to measure healthcare activity. It takes into account how complex a patient's care is and legitimate variations in cost. It is described as a single 'currency' and is used to compare how many resources are used across types of healthcare services in Australia. An average health service equals one NWAU. Services that are more complex and cost more use several NWAUs, while simpler, lower-cost services use only part of an NWAU.⁵⁶

Healthscope was paid to provide public health services up to a Maximum Payment Amount

- 1.50 The limitations imposed by the discounted price were compounded by the deed's requirement for an annual Maximum Payment Amount. As noted earlier, each year NSLHD determined and set the activity volume it would purchase from Healthscope.⁵⁷ This amount was set out in the annual Activity Profile and when multiplied by the discounted state price it determined the Maximum Payment Amount.⁵⁸
- 1.51 The figure below outlines how Maximum Payment Amount was calculated, to set an upper limit on the amount to be paid to Healthscope for the activity within each year.⁵⁹

$$\text{Maximum Payment Amount}^{60} = \text{discounted State Price per service category} \times \text{estimated annual volume per service category}$$

- 1.52 The Auditor-General reported on the Maximum Payment Amounts and amounts paid for 2022-23 and 2023-24, as outlined in Table 2 (overleaf).

⁵⁴ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 28.

⁵⁵ Members of the Medical Advisory Committee, NBH, [Answer to supplementary questions](#), 21 November 2025, p 1.

⁵⁶ NSW Health, [Small Hospitals Funding Model Review](#), p 7.

⁵⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 7.

⁵⁸ [Submission 201](#), p 6; NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 28.

⁵⁹ [Submission 201](#), p 6.

⁶⁰ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 28.

Table 2: Maximum payment amounts and actual amounts paid for 2022-2023 and 2023-2024⁶¹

	2022-23	2023-24
Maximum Payment Amount	\$182 million	\$178 million
Amount paid by Northern Sydney Local Health District	\$179 million	\$178 million
Variance	\$3 million	-

- 1.53 Through the use of a Maximum Payment Amount, the project deed imposed 'volume and demand management obligations on Healthscope to deliver services' within the annual limits.⁶² However, Healthscope still had an obligation to provide safe and high-quality clinical services to all patients who presented at the Hospital⁶³ and was unable to refuse services to public patients.⁶⁴
- 1.54 This meant that the project deed allocated the 'in-year risk' of an actual service volume that diverged from the predetermined activity volume. Under the deed, Healthscope was obligated to deliver services to manage the activity volume.⁶⁵ For example, if actual demand exceeded the annual volume cap Healthscope provided treatment to those public patients without payment.⁶⁶
- 1.55 An objective of the project deed was for the partnership to provide the best quality care at Northern Beaches Hospital. This was operationalised 'by requiring Healthscope to perform within the top quartile of performance across many key performance indicators.'⁶⁷ The Hospital's performance and the KPI regime will be discussed in Chapter Three.

The Maximum Payment Amount was an ongoing source of disagreement between parties

- 1.56 The Auditor-General's performance audit found that the Annual Notice, including the Maximum Payment Amount, was a central and ongoing source of tension between Healthscope and NSLHD.⁶⁸ The audit noted that Healthscope had repeatedly argued that the annual Activity Profiles were set too low compared to demand.⁶⁹
- 1.57 Healthscope had issued nine legal notices of dispute related to the project deed's operating phase. In the notices, Healthscope questioned the viability of the arrangement, given its limited means to control demand for public hospital

⁶¹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 27.

⁶² Audit Office of New South Wales, [Northern Beaches Hospital](#), p 7.

⁶³ [Submission 201](#), p 6.

⁶⁴ [Submission 236](#), p 10.

⁶⁵ [Submission 201](#), p 7; [Submission 236](#), p 10; Audit Office of New South Wales, [Northern Beaches Hospital](#), p 28.

⁶⁶ [Submission 236](#), Healthscope Group, p 10.

⁶⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4.

⁶⁸ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 18, 27-28.

⁶⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 18; Kathryn Berry, Interim Chief Executive Officer, [Transcript of evidence](#), 17 October 2025, pp 34-35.

services and Healthscope's responsibility to provide these public services for free when demand exceeded estimated volumes.⁷⁰

- 1.58 The nine disputes resulted in a financial enhancement of an estimated \$73 million in cash value to Healthscope and a further \$70 million in reductions in liabilities.⁷¹
- 1.59 The performance audit found that the tension over the Maximum Payment Amount drove antagonism between the private operator and NSW Health, particularly over the 2019-2021 period. Due to the strained relationship, a Senior Governance Board was created in March 2023 to monitor and resolve issues in the public private partnership.⁷²

Healthscope was responsible for funding any cost deficits for the delivery of public health services and cost deficits were partly funded by private patient revenues

- 1.60 To reiterate, if the number of public patients exceeded the annual estimated volume, public health services were provided by Healthscope at no cost to the NSW Government. Instead, the costs were borne by Healthscope. These costs were offset by private patient revenue.⁷³
- 1.61 Based on the public version of the project deed, it is unclear whether the costs of delivering excess demand for public health services were intended to be offset by private patient revenues.
- 1.62 However, the Committee notes that when entering into the public private partnership, Healthscope had accepted the operational risks associated with public patient activity volumes and the estimated costs and revenues associated with providing the public health services.⁷⁴
- 1.63 The Committee also notes that as part of operating the private portion of the hospital, Healthscope had obligations under the project deed to '... maximise the number of patients who elect to use their private health insurance or are otherwise converted to being compensable patients.'⁷⁵ A compensable patient is someone whose health treatment is paid for by themselves or a third party, rather than the State. For example, someone whose treatment is paid for by a private health insurer or WorkCover.⁷⁶
- 1.64 The Committee further notes that the project deed also included the use of a 'Conversion KPI'.⁷⁷ However details on this KPI are not publicly available.

⁷⁰ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 28.

⁷¹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 28.

⁷² Audit Office of New South Wales, [Northern Beaches Hospital](#), p 28.

⁷³ Peter Thomas, Chief Operating Officer, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 35.

⁷⁴ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), pp 105-106, cl 2.7.

⁷⁵ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 23; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 223, cl 52.11(f).

⁷⁶ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 32, cl 1.1; Audit Office of New South Wales, [Northern Beaches Hospital](#), p 15.

⁷⁷ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 35, cl 1.1.

- 1.65 The Auditor-General's performance audit noted that the allocation of risk to Healthscope was described as one of the key advantages to the project deed. This allocation enabled 'the State to achieve financial benefits from the arrangement overall.'⁷⁸
- 1.66 The performance audit also noted that the discount on the State Price was based on an expectation that Healthscope would achieve efficiencies in running the Hospital.⁷⁹ In regards to efficiencies, the Auditor-General stated that there was a '... difference between how a public hospital is run and what the staff were seeing.'⁸⁰ Some of these efficiencies appear to have played out through the Hospital's staffing, as will be discussed in Chapter Two.
- 1.67 Jason Ward, Founder and Principal Analyst, Centre for International Corporate Tax Accountability and Research, advised that from his analysis of the public private partnership he was not aware of any efficiency benefits achieved by the Hospital.⁸¹
- 1.68 Mr Ward also told the Committee that the 'types of benefits, in terms of increasing efficiency, are usually not really there' and that there is 'a lot of hype and rhetoric around the private sector being more efficient'. Mr Ward argued that:
- ... in reality, so long as it's carefully managed, with sufficient public oversight and public scrutiny, the public sector is far better positioned to deliver better value for money in public services.⁸²
- 1.69 The Auditor-General explained that there was also an assumption that public patients admitted to the Hospital would be converted to private patients and that through this Healthscope would make sufficient profit margin from the private portion of the Hospital. The Auditor-General noted that there was no other upside to operating the public portion of the Hospital.⁸³
- 1.70 In regard to the conversion to private patient services, the Auditor-General added that for a private hospital on its own, it would
- ... take longer for them to get the volume compared to where you have a hospital that has a public hospital section that has a lot of supply of patients coming in, and the agreement that some of those patients can be converted to private if they have private insurance.⁸⁴

⁷⁸ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

⁷⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 7.

⁸⁰ Bola Oyetunji, Auditor-General, Audit Office of New South Wales, [Transcript of evidence](#), 17 October 2025, p 4.

⁸¹ Jason Ward, Founder and Principal Analyst, Centre for International Corporate Tax Accountability and Research, [Transcript of evidence](#), 28 November 2025, p 13.

⁸² Jason Ward, [Transcript of evidence](#), 28 November 2025, p 13.

⁸³ Bola Oyetunji, [Transcript of evidence](#), 17 October 2025, p 5.

⁸⁴ Bola Oyetunji, [Transcript of evidence](#), 17 October 2025, p 6.

- 1.71 Healthscope advised that in reality, its obligation to provide public patient services at a discount resulted in 'operational, financial and workforce challenges' for Healthscope despite 'material cost savings' for the State of NSW.⁸⁵
- 1.72 Healthscope also told the Committee that it had limited means to control the demand for public health services at the Hospital. It noted that the Hospital's patient volume was impacted by:
- the Hospital's inability to enact hospital avoidance strategies (e.g. Hospital in the Home) as these services were not funded under the project deed
 - the Hospital being penalised under the project deed if public surgeries were delayed, and
 - the project deed imposing service restrictions on the Hospital.⁸⁶
- 1.73 Healthscope reported that since its opening the Hospital had exceeded the maximum activity in the 2023-24 and 2024-25 Annual Notices and was forecasted to exceed the maximum in 2025-26 as well.⁸⁷ As public health services were only funded up to the maximum payment amount, this may mean that Healthscope was required to fund a portion of the public health services provided in those years.
- 1.74 Healthscope also reported that profits from private patient revenues did not fully offset losses on public patient revenues.⁸⁸
- 1.75 Healthscope's audited financial reports for the Northern Beaches Hospital show nil profit or loss for the 31 December 2023 financial year.⁸⁹ In that year, the Hospital reported \$183.7 million in public patient revenue and \$163.3 million in private patient revenue.⁹⁰
- 1.76 However, the Committee also notes a \$260 million management fee expense paid to Healthscope Operations Pty Ltd for the provision of management services. It was also noted that Healthscope Operations Pty Ltd incurs employee and other expenses for the Hospital's operations.⁹¹ CICTAR observed that this management fee significantly reduced the entity's income for the financial year.⁹²
- 1.77 The Committee also notes that issues around the construction of the annual Activity Profile were identified in the 2019 parliamentary inquiry. In

⁸⁵ Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 7-8.

⁸⁶ [Submission 236](#), p 10.

⁸⁷ Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 8.

⁸⁸ Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 7-8.

⁸⁹ [Submission 242](#), Centre for International Corporate Tax Accountability and Research (CICTAR), pp 22-23; NBH Holdco 2 Pty Ltd and its controlled entities, General purpose (simplified disclosures) financial report for the year ended 31 December 2023, p 13.

⁹⁰ [Submission 242](#), pp 22-23; NBH Holdco 2 Pty Ltd and its controlled entities, General purpose (simplified disclosures) financial report for the year ended 31 December 2023, p 13.

⁹¹ NBH Holdco 2 Pty Ltd and its controlled entities, General purpose (simplified disclosures) financial report for the year ended 31 December 2023, p 13.

⁹² [Submission 242](#), pp 23-24.

recommendation 13, Portfolio Committee No. 2 – Health recommended that NSLHD make full and proactive use of its ability to adjust the Hospital's Activity Profile according to community needs.⁹³

- 1.78 NSW Health advised that recommendation 13 was completed.⁹⁴ However, Members of the Medical Advisory Committee, NBH (MAC), stated that this recommendation was never fully operationalised. They acknowledged that although NSLHD had taken some action to implement the recommendation, the community's evolving needs were still not being reflected in funding structures under the deed.⁹⁵
- 1.79 The MAC also observed that in the 'mainstream public sector' agencies would usually receive one-off funding grants at the end of the year, if the budgeted activity was inadequate to cover community needs.⁹⁶ This appears to not have happened in the case of the Northern Beaches Hospital.⁹⁷
- 1.80 In light of Healthscope's evidence that the Hospital's actual demand for public health services exceeded the maximum activity in the Annual Notices, the Committee is concerned that recommendation 13 was never fully operationalised.

Key assumptions in the public private partnership model proved to be unrealistic

- 1.81 The Committee heard from Healthscope that key assumptions in the project deed proved to be unrealistic. Healthscope advised that it had agreed to the project deed's discount on the State Price on the basis that:
- the State Price was a fair representation of the average cost of providing hospital services in NSW, and
 - the activity volume purchased by NSW Health would meet the demand for public health services at the Hospital.⁹⁸
- 1.82 Healthscope told the Committee that neither of these assumptions proved to be correct and that the project deed's funding shortfall 'led to ongoing operation, financial and workforce challenges for Healthscope.'⁹⁹
- 1.83 Members of the Medical Advisory Committee, NBH also told the Committee that:
- The complexity and number of patients at cared for at NBH grew at a level greater than expected ...¹⁰⁰

⁹³ Portfolio Committee No. 2 – Health, [Operation and management of the Northern Beaches Hospital](#), pp 126-127.

⁹⁴ [Submission 201](#), p 15.

⁹⁵ [Submission 215](#), Members of the Medical Advisory Committee, NBH, p 11.

⁹⁶ [Submission 215](#), p 11.

⁹⁷ [Submission 215](#), p 12.

⁹⁸ Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 4-5.

⁹⁹ Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 5.

¹⁰⁰ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), p 2.

- 1.84 The Committee notes that the public private partnership's model appears to have assumed a maximum level of private patient conversion,¹⁰¹ public demand remaining within activity caps,¹⁰² and Healthscope being able to achieve efficiencies to provide services at a lower cost than the State Price.¹⁰³ The Committee is of the view that these assumptions proved to be unrealistic which affected the sustainability of what was supposed to be a long term arrangement.

Under the project deed available public health services were also restricted

- 1.85 Healthscope was restricted from providing certain services to public patients by the Annual Notices required under the project deed.¹⁰⁴ The Auditor-General's performance audit noted that NSLHD used a policy of restricting services to maintain efficiencies and to support specialisations across the wider Local Health District.¹⁰⁵ Healthscope advised that seven types of services were restricted (Table 3).

Table 3: List of Restricted Services¹⁰⁶

Type of service	Level of restriction
Cardiothoracic surgery	Total service restriction
Neurosurgery	Total service restriction including spinal neurosurgery
Orthopaedic surgery	Orthopaedic spinal surgery
Paediatric surgery	Paediatric ophthalmology
General surgery	Includes major liver surgery, pancreatectomy, oesophagectomy, radical gastrectomy and complex pelvic colorectal cancer and bariatric surgery.
Interventional radiology	Tier B procedures as defined in the NSW Health Guide to the Role
Interventional cardiology	Any Interventional Cardiology (IC) Service that is not an Unplanned and/or Emergency IC Service.

- 1.86 Healthscope noted that the Hospital had the capability and capacity to provide almost all of the above services to public patients, and that it provided these services for private patients. If elective public patients required a restricted service they were referred onto other public hospitals, usually Royal North Shore Hospital.¹⁰⁷

¹⁰¹ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 23; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 223, cl 52.11(f).

¹⁰² Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 4-5.

¹⁰³ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 7.

¹⁰⁴ [Submission 236](#), pp 15, 38.

¹⁰⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 28-29.

¹⁰⁶ [Submission 236](#), p 38.

¹⁰⁷ [Submission 236](#), pp 15, 38.

- 1.87 If restricted services are provided to a public patient on an urgent basis, but without prior approval from NSLHD, these services would not be funded by NSLHD.¹⁰⁸
- 1.88 The performance audit also noted that over time, new services were proposed, such as thrombolysis stroke services, paediatric acute mental health beds, and interventional cardiology. Of these requests, only interventional cardiology was accepted by both parties and added in August 2020. The remaining services were declined due to cost considerations and service constraints.¹⁰⁹
- 1.89 In its 2019 inquiry, PC2 had recommended that all coronary intervention treatments available to private patients at the Hospital should be available to public patients as well, regardless of the urgency (recommendation three).¹¹⁰
- 1.90 NSW Health advised that this recommendation had been completed.¹¹¹ However, Members of the Medical Advisory Committee, NBH (MAC) told the Committee that recommendation three was never fully operationalised. They noted that public patients only had access to coronary intervention services as part of emergency care for up to 72 hours from their admission. After which, they are expected to be transferred to Royal North Shore Hospital.¹¹²
- 1.91 The MAC advised that this led '... to unnecessary clinical transfers, disjointed care, extra cost to the system and inevitable delays to definitive treatment for patients ...'. The MAC further stated that this did not align with patient-centred care.¹¹³

Volume and services restrictions contributed to patient transfers

- 1.92 The Committee heard that the volume and services restrictions in the project deed contributed to patient transfers between Northern Beaches Hospital and other public hospitals. Some stakeholders suggested that some of these transfers were unnecessary and impacted patients. However, the Committee also noted that there were no inappropriate transfers reported in terms of the key performance indicators.
- 1.93 Coda Danu-Asmara, Senior Industrial Officer, Australian Paramedics Association (NSW) similarly raised concerns about 'needless transfers' from Northern Beaches Hospital to other public hospitals. He observed that while the Hospital had the capacity to perform these services, due to them being classified as 'private procedures' patients were being transferred to Royal North Shore Hospital.¹¹⁴
- 1.94 Vijay Solanki, Director Cardiac Services and Member of the Medical Advisory Committee, NBH also spoke about these transfers in regard to PC2's recommendation. A/Prof Solanki explained that the Hospital was 'very restricted'

¹⁰⁸ [Submission 236](#), pp 15, 38.

¹⁰⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 24-25.

¹¹⁰ PC2, [Operation and management of the Northern Beaches Hospital](#), p xii.

¹¹¹ [Submission 201](#), p 15.

¹¹² [Submission 215](#), pp 9-10.

¹¹³ [Submission 215](#) p 10.

¹¹⁴ Coda Danu-Asmara, Senior Industrial Officer, Australian Paramedics Association (NSW), [Transcript of evidence](#), 28 November 2025, p 8.

in the types of interventional cardiology services it could provide to public patients. This can result in different management plans between public and private patients, with public patients often being transferred to Royal North Shore Hospital.¹¹⁵

- 1.95 A/Prof Solanki explained that this '... often delays management of the patient, inconveniences patients and adds to the wait times at Royal North Shore and the bed block.'¹¹⁶
- 1.96 The performance audit noted that the project deed included two key performance indicators related to inappropriate transfers from the Northern Beaches Hospital to other hospitals or to community allied health services. It noted that no inappropriate transfers were reported in the performance audit report period.¹¹⁷
- 1.97 While there were no inappropriate transfers reported in terms of the key performance indicators, patient transfers were hindered by integration issues between the Hospital's and the Local Health District's electronic medical record systems (as discussed in Chapter Two).

In 2023 Healthscope began requesting to return the public portion of the hospital to the NSW Government

- 1.98 The project deed's underlying financial assumption was that Healthscope could achieve efficiencies that would enable it to provide public health services at a lower cost than other public hospitals. The Committee is of the view that this assumption should be considered within Healthscope's wider financial context.
- 1.99 Anthony Schembri, Chief Executive, Northern Sydney Local Health District, advised that Healthscope's for-profit status made this public private partnership fundamentally different from other arrangements where non-government organisations, such as St Vincent's, provide health services on a not-for-profit basis.¹¹⁸
- 1.100 The performance audit also noted that the public private partnership model created tensions between Healthscope's commercial imperatives and clinical outcomes. The Auditor-General's report identified that these tensions impacted decisions around whether new services were introduced at the Hospital.¹¹⁹
- 1.101 The Committee also notes that there was a fundamental change in Healthscope's ownership structure shortly after the Hospital opened in 2018. Less than a year

¹¹⁵ Vijay Solanki, Director Cardiac Services, member of Medical Advisory Committee, [Transcript of evidence](#), 17 October 2025, p 13.

¹¹⁶ Vijay Solanki, [Transcript of evidence](#), 17 October 2025, p 13.

¹¹⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 25.

¹¹⁸ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 16.

¹¹⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 1, 23.

later, Healthscope was acquired by Brookfield Asset Management, a Canadian private equity firm, for a reported \$4.4 billion.¹²⁰

1.102 This inquiry is focused on the delivery of health services at the Hospital under the project deed, as such the Committee has not inquired into the operations of Brookfield and does not make any findings in this respect. However, the Committee acknowledges relevant evidence provided by Centre for International Corporate Tax Accountability and Research (CICTAR), including CICTAR's analysis.

1.103 CICTAR raised concerns around the 'private equity playbook', for example that:

Private equity investors buy a company, saddle it with enormous debt, make huge cuts to company spending while selling off its assets and receiving sizable dividend payouts, and then they look for an exit – leaving behind a struggling operation.¹²¹

1.104 CICTAR noted that two key components of the 2019 acquisition included approximately \$1.4 billion in debt financing, and \$1.7 billion from the sale and leaseback of 22 hospital properties.¹²² CICTAR's submission analysed Brookfield and Healthscope's finances and concluded that:

... the use of sale-leaseback agreements, exceedingly opaque and complicated corporate structures, excessive debt levels, asset sales, aggressive cost-cutting measures and other short-term extractive measures demonstrate clear signs of the "private equity playbook". Brookfield invested minimal equity while Healthscope has been loaded up with unsustainable debt.¹²³

1.105 In November and December 2023, Healthscope began requesting that the public portion of the Hospital be returned 14 years earlier than was agreed to in the project deed. At that time, Healthscope wanted to continue operating the private portion of the Hospital.¹²⁴

1.106 In these requests, Healthscope cited operational concerns such as:

- administrative and integration challenges
- insufficient funding that threatened the Hospital's viability
- a lack of integration with the broader health network, and
- strained stakeholder relationships.¹²⁵

¹²⁰ C LaFrenz, '[Shareholders back Brookfield's purchase of Healthscope](#)', *Australian Financial Review*, 22 May 2019, accessed 3 March 2026.

¹²¹ [Submission 242](#), p 3.

¹²² [Submission 242](#), pp 8, 16.

¹²³ [Submission 242](#), p 27.

¹²⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 2.

¹²⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 2.

- 1.107 In January 2024, NSW Health formally declined Healthscope's request. NSW Health noted that Healthscope had 'no legal or contractual entitlement to withdraw from or vary the project in the manner proposed'.¹²⁶
- 1.108 In March 2025, it was reported that Healthscope had failed to pay rent due on 11 private hospitals.¹²⁷ Amid concerns about Healthscope's financial situation, the Federal Minister for Health called for an urgent meeting with the chief executives of Australia's private hospitals and health insurers.¹²⁸
- 1.109 In early April 2025, Healthscope again advised the NSW Government that it wished to hand back the public portion of the Hospital.¹²⁹ On 15 April 2025, the NSW Government announced the establishment of a Northern Beaches Hospital Taskforce to investigate the continuing operations of the public private partnership. In this announcement, the NSW Government noted 'growing uncertainty over Healthscope's financial future'.¹³⁰
- 1.110 In May 2025, Healthscope announced that receivers had been appointed to its parent entities.¹³¹ Healthscope was reported to be \$1.6 billion in debt,¹³² with media coverage also reporting that Brookfield had failed to pay rent on the hospitals that had been sold off.¹³³
- 1.111 Staffing shortages, work-related stress and cost-saving measures identified by stakeholders are discussed further in Chapter Two. The Committee notes here that these issues may be reflective of the financial challenges experienced by Healthscope. The Committee is concerned that cost-cutting measures may have been adopted by Healthscope in order to realise the efficiency assumptions embedded in the project deed.
- 1.112 Overall, the Committee finds that the combined effect of the project deed's volume caps, service restrictions, pricing mechanisms and demand pressures undermined the sustainability of the public component of the Hospital. It is unclear to the Committee whether the conditions in the project deed were feasible to achieve, noting evidence from Healthscope that:
- the private hospital revenues were insufficient to cover the shortfall in funding for the public hospital services.¹³⁴

¹²⁶ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 2.

¹²⁷ A Davies, '[Mark Butler calls Australia's private hospitals and insurers to urgent meeting amid Healthscope financial crisis](#)', *The Guardian*, 7 March 2025, accessed 3 March 2026.

¹²⁸ A Davies, '[Mark Butler calls Australia's private hospitals and insurers to urgent meeting amid Healthscope financial crisis](#)', *The Guardian*, 7 March 2025, accessed 3 March 2026.

¹²⁹ Treasurer and Minister for Health, '[Northern Beaches Hospital Taskforce begins work](#)', media release, 15 April 2025, accessed 28 January 2026.

¹³⁰ Treasurer and Minister for Health, '[Northern Beaches Hospital Taskforce begins work](#)', accessed 28 January 2026.

¹³¹ Healthscope, '[Receivers appointed to Healthscope parent companies](#)', media release, 26 May 2025, accessed 3 March 2026.

¹³² J Wiggins, '[Healthscope receivers in talks to sell four hospitals](#)', *Australian Financial Review*, 8 December 2025, access 3 March 2026.

¹³³ M Janda and S Letts, '[Private hospital operator Healthscope collapses into receivership](#)', ABC News, 26 May 2025, accessed 3 March 2026.

¹³⁴ Healthscope, '[Answers to supplementary questions](#)', 4 December 2025, pp 7-8.

- in recent years the public hospital demand had consistently outpaced the maximum activity in the Annual Notices.¹³⁵

1.113 These factors provide context to Healthscope's multiple requests to return the public portion of the Hospital. Furthermore, the challenges experienced by the Hospital highlight the need for any future public private partnerships to realistically consider how funding and contractual arrangements will adequately support service capability, demand management, and patient outcomes in the provision of essential public services.

¹³⁵ Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 8.

Chapter Two – Operational challenges under the project deed

Introduction

- 2.1 This chapter examines the allocation and management of operational risks under the project deed. It considers whether the mechanisms in the project deed supported the efficient resolution of operational issues as they emerged at Northern Beaches Hospital (the Hospital).
- 2.2 The Committee acknowledges the time, experience and expertise that healthcare professions have contributed to this inquiry. Their commitment to the Northern Beaches community is evident to the Committee, as is their willingness to help resolve the operational challenges experienced by the Hospital.
- 2.3 The Committee notes that many operational challenges at the Hospital appear to be interconnected rather than isolated. The Committee heard evidence linking staffing pressures, IT failures and delayed integration projects to the broader and underlying structural features of the public private partnership model including its rigid risk allocation, constrained funding and limited flexibility to adapt to changing operational realities.

Operational risks were not evenly distributed under the project deed, undermining parties' mutual accountability

Finding 3

The project deed prioritised the allocation of risk to Healthscope and maintaining the financial benefit to the State, but did not provide sufficient flexibility, integration mechanisms or public sector control to ensure emerging operational risks could be effectively managed.

Finding 4

NSW Health and the Northern Sydney Local Health District focused on upholding the risks allocated under the project deed rather than adopting new strategies for addressing emerging issues and risks.

Finding 5

Formal enforcement mechanisms were available to Northern Sydney Local Health District under the project deed, however high thresholds for their use and practical consequences of invoking these may have limited their effectiveness for proactive risk management.

Finding 6

The governance structures in the project deed, such as governance committees, did not provide Northern Sydney Local Health District with timely or effective tools to address emerging operational and clinical risks.

Recommendation 1

That, within 6 months, Northern Sydney Local Health District should consult with staff, unions, the Medical Staff Council, consumer representatives, paramedics, the Clinical Excellence Commission and the Northern Beaches community to develop a post-transition safety, quality and operational improvement framework for Northern Beaches Hospital.

Recommendation 2

That, every 12 months, Northern Sydney Local Health District publicly report on the implementation of the post-transition safety, quality and operational improvement framework, and provide updates on IT integration, incident management, staffing levels, patient escalation systems, equipment replacement, clinical governance, complaints, and unresolved risks.

Under the project deed, Healthscope was responsible for the majority of operational risks

- 2.4 The Committee found that Healthscope was responsible for the majority of operational risks under the public private partnership terms negotiated between Healthscope and the NSW Government, and as enshrined in the project deed. For example, risks associated with ensuring the Hospital's design and technology could deliver services, and were fit for purpose at the required service levels.

What is meant by 'risk'?

Government agencies have a range of responsibilities including providing services to the community, policy making and regulation of businesses.¹³⁶ All these responsibilities involve some level of risk that the activity undertaken by the agency will not go as planned. It is generally an agency's responsibility to manage these risks.¹³⁷ A key feature of a public private partnership is the sharing of risk between the public and private sectors.¹³⁸

- 2.5 Under the project deed, Healthscope was responsible for the day-to-day operations of the Hospital, including the delivery of public health services. Healthscope was required to deliver public health services to the 'highest standard of patient care and safety' in accordance with the licensing standards under the *Private Health Facilities Act 2007* and good operating practices.¹³⁹
- 2.6 Like other public private partnerships, Healthscope and the State shared responsibilities for project and operational risks, as identified in the project deed. In turn, Healthscope was paid based on its performance and service delivery.¹⁴⁰

¹³⁶ Audit Office of New South Wales, [Managing risks in the NSW public sector: risk culture and capability](#), performance audit, report #298, 23 April 2018, p 5.

¹³⁷ NSW Treasury, [Risk Management Toolkit](#), May 2025, p 6.

¹³⁸ NSW Treasury, [NSW Treasury Public Private Partnerships](#), accessed 1 May 2026.

¹³⁹ [Submission 201](#), NSW Health, p 4.

¹⁴⁰ NSW Treasury, [NSW Treasury Public Private Partnerships](#), accessed 24 March 2026; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 215.

- 2.7 While some risks were shared with the State, Healthscope was responsible for most risks identified in the project deed.¹⁴¹ For example, risks related to the Hospital's design, construction, operations and asset management.¹⁴² Where issues arose in these areas during the term of the deed, Healthscope was responsible for taking remedial or preventive action.¹⁴³
- 2.8 The Committee found that Healthscope was responsible for most of the operational risks identified in the project deed (Table 4). For example, aspects such as the implementation of IT systems fall under the risk category 'Fit for purpose/ability to meet performance requirements and service levels', and the associated risks were owned by the Operator.

Table 4: Operational risk sharing arrangements between the State and Healthscope¹⁴⁴

Risk category	Description	The State	The Operator
Fit for purpose/ability to meet performance requirements and service levels	Risk that the design and technology of the Northern Beaches Hospital is not able to deliver the services and/ or is not fit for purpose at the required service levels.	Does not own risk	Owns risk
Volume management	Demand for, type and actual volume of services provided do not meet the State's requirements set out in the Annual Profile.	Does not own risk	Owns risk ¹⁴⁵
Health policies and health initiatives	Implementation of health initiatives by the Operator and a change to, or introduction of, health policies.	Does not own risk ¹⁴⁶	Owns risk
Operational interfaces	Risks associated with managing interfaces with third parties (e.g. utilities, adjoining property owners, etc.).	Does not own risk	Owns risk
Operational costs	Risk that operational costs exceed estimated cost over the operating term of the Northern Beaches Hospital.	Does not own risk	Owns risk
Lifecycle costs	Risks associated with the costs of replacement and refurbishment of assets over the operating term of the Northern Beaches Hospital.	Does not own risk	Owns risk
KPIs	Meeting required standards with respect to key performance indicators.	Does not own risk	Owns risk
Utilities	Ensuring continuous supply of utilities sufficient to perform the Operator's obligations and the continuous uninterrupted provision of the Services.	Does not own risk	Owns risk

¹⁴¹ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), pp 16-19.

¹⁴² NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), pp 16-19.

¹⁴³ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), pp 31-32.

¹⁴⁴ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), pp 18-19.

¹⁴⁵ Note: In accordance with the regime in Project Deed.

¹⁴⁶ Note: Except to the extent that a Health Initiative might also constitute a Change or Additional Work for which the Operator would be entitled to additional compensation in accordance with the ECE Schedule.

- 2.9 The State retained some risks under the project deed. These risks included risks associated with planning approvals, the Hospital site itself, changes in law or policy, force majeure and some risks related to the inability to obtain insurance.¹⁴⁷
- 2.10 The project deed also set out the governance arrangements for monitoring Healthscope's performance against the project deed. These governance arrangements were managed by NSLHD on behalf of NSW Health and included a minimum set of governance committees.¹⁴⁸
- 2.11 As part of this process, NSLHD monitored Healthscope's performance of obligations related to quality and safety, activity, finance and risk management. NSLHD also provided regular updates to the Ministry of Health.¹⁴⁹
- 2.12 The governance committees (Table 5) were used to discuss services and project deed issues, and included a range of reporting and assurance requirements. Reporting through these committees was used by NSLHD to assess Healthscope's performance against the project deed's requirements.¹⁵⁰

Table 5: Governance arrangements under the project deed¹⁵¹

Governance Committees	Function	Frequency
For strategic governance		
Northern Beaches Hospital Executive Steering Committee Included: Chief Executive, NSLHD; Client Representative; NSW Health and NSW Treasury senior executive representatives.	Provided strategic advice to the Chief Executive, NSLHD and the Client Representative on the Hospital's operation and management. It also facilitated the management of the project deed, monitored operational and financial performance of the Hospital, including the financial model, and monitored intended benefits as described in the Northern Beaches Hospital Benefits Realisation Plan.	Quarterly
Senior Governance Board Included: Ministry of Health; NSLHD; Healthscope Executive; Northern Beaches Hospital Executive.	Established in March 2023, it was a forum for collaboration and discussion between the State and Healthscope. It sought to enhance the ongoing relationship and pre-emptively resolve significant issues that emerged in respect of administering the project deed.	Quarterly
For performance management		
Operational Services Group	It included a review of operational performance on patient access and flow, finance, operations, and quality and safety. NSLHD monitored performance and, when the Hospital's results did not meet expectations, NSLHD requested follow up action from the Hospital.	Monthly

¹⁴⁷ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), pp 16-19

¹⁴⁸ [Submission 201](#), p 12.

¹⁴⁹ [Submission 201](#), p 12.

¹⁵⁰ [Submission 201](#), p 12.

¹⁵¹ [Submission 201](#), pp 12-13.

Governance Committees	Function	Frequency
Clinical Quality and Safety Working Group	<p>It was a forum for detailed discussion of quality and safety issues that arose across NSLHD and within Northern Beaches Hospital. It aimed to:</p> <ul style="list-style-type: none"> • facilitate open and collaborative sharing between the sectors. • operationalise the quality and safety interfaces through regular review of systems and processes. • function as an expert reference group for the Operational Services Group with respect to Quality and Safety matters. 	Monthly

- 2.13 Schedule 18 of the project deed also included a regime of key performance indicators (KPIs).¹⁵² The Hospital reported its performance against 82 KPIs.¹⁵³ The regime also included the use of up to 48 KPIs that could trigger financial penalties if the Hospital's performance fell below specified targets or thresholds.¹⁵⁴ The KPI regime and the Hospital's performance is discussed further in Chapter Three.
- 2.14 The original business case for the Northern Beaches Hospital public private partnership estimated a net benefit of \$1.526 billion to the State, \$810 million of which related to operating cost benefits.¹⁵⁵ The allocation of risk was described as one of the key advantages which enabled financial benefits to be achieved from the arrangement overall.¹⁵⁶
- 2.15 The performance audit also found that NSLHD had effectively managed the project deed day-to-day to ensure it was cost effective for the State.¹⁵⁷
- 2.16 The Committee acknowledges that the allocation of operational risks to Healthscope was successful in the short term in achieving financial benefits for the State. However, as will be discussed below and in subsequent chapters, operational challenges that emerged after the Hospital's opening appear to have been difficult to resolve under the project deed's governance arrangements. This included operational challenges such as the integration issues in the Hospital's IT systems.

The project deed included enforcement mechanisms but these were reported to have very high thresholds for use

- 2.17 While the governance committees were available to discuss and resolve operational challenges as they emerged (see Table 5, above), the project deed also included formal enforcement mechanisms such as breach notices and improvement notices.

¹⁵² [Submission 201](#), p 8.

¹⁵³ [Submission 236](#), Healthscope Group, p 4.

¹⁵⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 45-47.

¹⁵⁵ Audit Office of New South Wales, [Answers to supplementary questions](#), 20 November 2025, p 6; NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 14.

¹⁵⁶ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

¹⁵⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 2.

- 2.18 If certain events occurred – known as 'operator events of default' – the State could issue a notice to the Operator specifying the nature of the event.¹⁵⁸ For example, two types of these events were:
- the accumulation of more than a specified number of performance failure points in any rolling three-month period, and
 - any breach by the Operator of a material obligation under a Project Document (other than a failure) which has a material adverse effect.¹⁵⁹
- 2.19 After receiving a notice, the Operator could either remedy the event or prepare and submit a 'cure plan' to the State for its approval.¹⁶⁰ If an event could not be remedied, then the Operator could submit a 'prevention plan' to the State for its approval.¹⁶¹ If both of these avenues were unsuccessful, the project deed also provided mechanisms for the State to step-in and assume the service delivery responsibilities.¹⁶²
- 2.20 At the public hearing, Anthony Schembri, Chief Executive, NSLHD told the Committee that there was a 'very high threshold' for issuing breach notices and improvement notices. Mr Schembri added, 'We chose to work collaboratively and cooperatively, and to share resources where we could, to see those improvements made.'¹⁶³
- 2.21 The Committee is concerned that although formal enforcement mechanisms existed, there were high thresholds for their use. On a practical level, the Committee also noted that Healthscope had raised operational concerns around the Hospital's viability in the 2023 requests to hand back the public portion of the Hospital 14 years early.¹⁶⁴ The Committee is of the view that the practical consequences of invoking the enforcement mechanisms may have limited their effectiveness for proactive risk management.

Alternative resolution pathways were available through the governance framework but did not appear to successfully resolve ongoing issues

- 2.22 The project deed's governance framework included a series of governance committees that were used to monitor the Hospital's performance. The governance committees were also used to discuss and address issues.

¹⁵⁸ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), pp 290, 293, cl 77.2, 77.3.

¹⁵⁹ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 31; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), pp 290-291, cl77.2(c), 77.2(g).

¹⁶⁰ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 293, cl77.4).

¹⁶¹ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 294, cl77.6.

¹⁶² NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), pp 33-34; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 294, cl 77.70.

¹⁶³ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 18.

¹⁶⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 2.

- 2.23 As discussed above, Mr Schembri told the Committee that the Local Health District chose to adopt a collaborative and cooperative approach to achieve improvements including sharing resources with the Operator where possible.¹⁶⁵
- 2.24 The Auditor-General's performance audit also noted that NSLHD relied on discussion through these governance forums rather than using formal contract mechanisms, such as reviews and performance improvement plans, to enforce the project deed's risk allocation.¹⁶⁶
- 2.25 The Committee notes that significant, long standing issues were not resolved, despite the availability of formal enforcement mechanisms and alternate resolution pathways in the project deed. These issues included the Hospital's electronic medical record system (eMR) and the delayed installation of Vision for Life cameras.
- 2.26 In its 2020 report, Portfolio Committee No. 2 – Health (PC2) identified early on that the eMR implemented at the Hospital had several operational shortcomings. Two key issues were:
- a lack of compatibility between the Hospital's eMR and NSLHD's eMR¹⁶⁷
 - a lack of integration between the Hospital's eMR and the Hospital's patient administration system.¹⁶⁸
- 2.27 At that time PC2 recommended that NSLHD and Healthscope work together to fully integrate the Hospital into the operations of the Local Health District. PC2 also recommend that 'integration' be a formal reporting and discussion item.¹⁶⁹ This recommendation was supported by the former NSW Government in August 2020, and the Clinical Integration Committee was established in September 2020 in response.¹⁷⁰
- 2.28 However, in 2025, the performance audit found that the Clinical Integration Committee had limited impact on promoting the Hospital's integration.¹⁷¹ Several issues impacted its effectiveness, one of which was a 'failure to progress critical integration projects' such as the installation of Vision for Life cameras.¹⁷²
- 2.29 The Committee notes that the installation of Vision for Life cameras was a long standing Clinical Integration Committee agenda item which was not resolved until recently, after the 2025 performance audit and a further independent inquiry by

¹⁶⁵ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 18.

¹⁶⁶ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 2.

¹⁶⁷ PC2, [Operation and management of the Northern Beaches Hospital](#), pp 129-130, 146-147.

¹⁶⁸ PC2, [Operation and management of the Northern Beaches Hospital](#), p 131.

¹⁶⁹ PC2, [Operation and management of the Northern Beaches Hospital](#), p xiv.

¹⁷⁰ NSW Government, [Government response to recommendation of the inquiry into the operations and management of the Northern Beaches Hospital](#), August 2020, p 9; [Submission 201](#), p 15.

¹⁷¹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 26.

¹⁷² Audit Office of NSW, [Answers to supplementary questions](#), 20 November 2025, pp 2-3.

Clinical Excellence Commission.¹⁷³ The Vision for Life camera system is discussed later in this chapter. The Committee also notes that the integration issues related to the Hospital's eMR continued to be noted in evidence to this inquiry and are also discussed later in this chapter.

- 2.30 In summary, the majority of operational risks were allocated to Healthscope under the project deed. However, the formal and informal governance and oversight mechanisms did not adequately support the resolution of operational issues such as the Vision for Life cameras and eMR system integration. The cameras were only installed after additional external oversight, and the Committee is of the view that this would have impacted the Hospital's ability to 'deliver the best quality integrated health services and clinical outcomes ...'.¹⁷⁴

Managing emerging issues was impacted by a lack of goodwill in the partnership and inflexibility in the project deed

- 2.31 The effectiveness of governance arrangements appear to have been impacted by the relationship between NSW Health agencies and Healthscope. A reported lack of goodwill between partners limited the effectiveness of the public private partnership in responding to emerging operational issues and risks.

- 2.32 The strained relationship between Healthscope and NSW Health was noted as a factor in Healthscope's 2023 requests to return the public portion of the Hospital earlier than planned.¹⁷⁵ The Audit Office of New South Wales also told the Committee that, while the relationship had improved, it was not as constructive as it could have been.¹⁷⁶

- 2.33 At the public hearing, Tino La Spina, former Chief Executive Officer, Healthscope Group, told the Committee that:

... some of the integration issues that can be addressed are not hardwired into or legislated into a project deed. In fact, they can be dealt with, as long as you've got the goodwill to do that on both sides and [are] looking for the success of the hospital.¹⁷⁷

- 2.34 Similarly, Members of the Medical Advisory Committee, NBH (MAC) commented that the project deed's interpretation was not that of 'strategic partners' seeking to maximise the Hospital's effectiveness. The MAC also noted that the project deed was written well in advance of the Hospital's opening and that by the time it opened the project deed was unlikely to still be fit for purpose. The MAC also stated:

¹⁷³ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 27; Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), June 2025, pp 3-4, 8; Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 17.

¹⁷⁴ [Submission 201](#), p 5.

¹⁷⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 19.

¹⁷⁶ Audit Office of New South Wales, [Answers to supplementary questions](#), p 4.

¹⁷⁷ Tino La Spina, Chief Executive Officer, Healthscope Group, [Transcript of evidence](#), 17 October 2025, p 29.

The lack of agility in the deed and the strategic partnership did not allow NBH to be all it could and wanted to be for the local population.¹⁷⁸

2.35 The Audit Office of New South Wales (AONSW) also noted how the partnership highlighted 'the degree to which good relationships are crucial for achieving better outcomes.'¹⁷⁹ In answers to supplementary questions, AONSW further noted that:

Strong partnerships help address challenges not clearly defined in project deeds, allowing both parties to navigate uncertainties more effectively.¹⁸⁰

2.36 Mr La Spina also spoke about the need for flexibility at the public hearing, noting:

You cannot do a long-term public-private partnership and expect that there will be no changes. You need to go into it in the full knowledge that things may change and we may need to be flexible to ensure that we have the best thing for the total hospital system—and, therefore, by putting our patients first, create best patient outcomes. It just requires everyone to have that goodwill to want to make it work. I'm suggesting that, currently, that hasn't existed for the time that I've experienced.¹⁸¹

2.37 Enforcing risk allocation in the deed appears to have been prioritised over a flexible, collaborative approach to addressing emerging operational issues and risk. This approach appears to have upheld the net financial benefit to the State, however, it also appears to have delayed the resolution of operational issues.

2.38 The Committee recommends that:

- within 6 months, NSLHD should consult with staff, unions, the Medical Staff Council, consumer representatives, paramedics, the Clinical Excellence Commission and the Northern Beaches community to develop a post-transition safety, quality and operational improvement framework for Northern Beaches Hospital.
- every 12 months, NSLHD publicly report on the implementation of the post-transition safety, quality and operational improvement framework, and provide updates on IT integration, incident management, staffing levels, patient escalation systems, equipment replacement, clinical governance, complaints, and unresolved risks.

Issues with electronic medical record systems, incident management systems and escalation pathways

Finding 7

Despite being first identified in the 2019 Legislative Council inquiry, the governance and funding arrangements under the Northern Beaches Hospital

¹⁷⁸ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, pp 4-5.

¹⁷⁹ Audit Office of New South Wales, [Answers to supplementary questions](#), 20 November 2025, p 4.

¹⁸⁰ Audit Office of New South Wales, [Answers to supplementary questions](#), 20 November 2025, p 4.

¹⁸¹ Tino La Spina, [Transcript of evidence](#), 17 October 2025, p 33.

public private partnership did not result in timely resolution of IT system integration risks, such that the Hospital operated for years without full integration into the NSW Health digital ecosystem.

Recommendation 3

That Northern Sydney Local Health District resolve the integration issues between the Northern Beaches Hospital's electronic medical record system and the Northern Sydney Local Health Districts and NSW Health's systems, now that the Hospital has transitioned back to public management.

Recommendation 4

That Northern Sydney Local Health District commission an independent clinical safety review of the recent upgrades to improve the integration of the electronic medical record system (Telstra Health eMR) and the patient administration system (webPAS). This review should assess whether the system upgrades are fit for purpose and adequately resolve integration issues within the emergency department.

Recommendation 5

That Northern Sydney Local Health District should:

- provide Northern Beaches Hospital staff with ongoing training and resources on how to use ims+ effectively, and**
- within 6 months, conduct a review of the Hospital's incident management and risk theme analysis processes, identify any ongoing weaknesses in incident management processes and implement strategies to resolve identified weaknesses.**

- 2.39 In the Committee's view, the operational challenges associated with the Hospital's IT systems illustrate the potential for negative outcomes when a private operator is overallocated risk in a public private partnership (see Table 4, para 2.8). Healthscope implemented IT systems at the Hospital that were different from the ones used by rest of the NSLHD. The adequacy of the Hospital's IT systems was a repeated area of concern raised by stakeholders.
- 2.40 Concerns about the Hospital's electronic medical record system were identified in the 2019 parliamentary inquiry and again in the 2025 performance audit report. The performance audit also raised concerns about the Hospital's incident management system. A number of submissions received by this Committee also raised concerns about both of these systems.
- 2.41 These integration issues remained unresolved for several years, with recent action only starting as the project deed started to fail. Now that the Hospital has transitioned to public operation, NSLHD should prioritise the resolution of operational issues related to the Hospital's IT systems.
- 2.42 The Clinical Excellence Commission also identified limitations in patient and carer escalation pathways used at the Hospital. In particular, the Committee notes

Commission's recommendations regarding the Recognise, Engage, Act, Call, Help is on its way (REACH) program.

The Hospital's electronic medical record system continued to experience external integration issues

- 2.43 An electronic medical record system is used by clinicians and staff to record, manage and consult patient information to inform care delivery in real time.¹⁸² NSW public hospitals use the Cerner PowerChart system for the management of electronic medical records. As the operator of Northern Beaches Hospital, Healthscope selected and implemented the Telstra Health electronic medical record (eMR) system, instead of Cerner PowerChart.¹⁸³
- 2.44 NSW Health advised that the alternate system proposed by Healthscope 'was implemented consistent with Schedule 15 of the project deed,' and that the functionality of the eMR and Patient Administration System was assessed and verified by an Independent Verifier at the 'Operational Readiness' stage of the project deed.¹⁸⁴
- 2.45 Issues with the Hospital's eMR were identified as early as 2019. The Legislative Council Portfolio Committee No. 2 – Health (PC2) inquiry identified impaired functionality and a lack of interoperability with existing IT systems used by NSLHD soon after the Hospital opened.¹⁸⁵ The PC2 report commented that the implementation of Telstra Health eMR:
- ... created enormous stress for individual staff over an extended period, and we are left in no doubt, based on the credible evidence we have received, that this situation affected clinical decisions about individual patients. The committee is concerned that staff and patients were put in this position.¹⁸⁶
- 2.46 The PC2 report also noted that (as of February 2020) these issues were 'recently resolved' but that it did not 'have any detail on the functionality that has been achieved, nor any insights into how it is now working in practice'.¹⁸⁷ PC2 also recommended that NSLHD and Healthscope work together to fully integrate the Hospital into Local Health District's operations.¹⁸⁸ The Committee notes that, despite initial reports that issues were resolved, integration issues appear to have persisted.
- 2.47 The 2025 performance audit found that the differences in eMR systems between the Hospital and NSLHD affected continuity of care for patients. It noted that 'clinically relevant information for patients of the hospital is not fully visible to clinicians outside of the Northern Beaches Hospital until discharge.' The audit

¹⁸² Australian Digital Health Agency, [Electronic Medical Record \(eMR\)](#), last updated 13 November 2025, accessed 21 May 2026.

¹⁸³ Legislative Council Portfolio Committee No. 2 – Health (PC2), [Operation and management of the Northern Beaches Hospital](#), report 52, Parliament of New South Wales, February 2020, p 129.

¹⁸⁴ NSW Health, [Answers to supplementary questions](#), 19 December 2025, p 4.

¹⁸⁵ PC2, [Operation and management of the Northern Beaches Hospital](#), p 146.

¹⁸⁶ PC2, [Operation and management of the Northern Beaches Hospital](#), p 147.

¹⁸⁷ PC2, [Operation and management of the Northern Beaches Hospital](#), p 147.

¹⁸⁸ PC2, [Operation and management of the Northern Beaches Hospital](#), p 148, recommendation 18.

also noted that this affected 'the continuity of care for some patients, notably for mental health patients at the hospital'.¹⁸⁹

2.48 During the current inquiry, the Committee received evidence on continued integration issues. Patricia Hullah, Director Adult Medicine and Member of the Medical Advisory Committee, NBH noted that many patients moved between service providers in the Local Health District. A/Prof Hullah further explained that the lack of integration with the public system made it challenging for clinicians to have complete and accurate oversight of patients' medical history and treatments.¹⁹⁰

2.49 Vijay Solanki, Director Cardiac Services and Member of the Medical Advisory Committee, NBH, spoke about the impacts on patient management:

By not having that integration, we can't see imaging or records of patients that may have presented to Royal North Shore Hospital in the recent few months or years. That information would have changed management in terms of what we would have done with that patient when they presented to our emergency.¹⁹¹

2.50 Peter Thomas, Chief Operating Officer, Northern Beaches Hospital told the Committee that even small interoperability changes took a lot of time to implement.¹⁹² He also acknowledged the extent of the integration issues, stating:

In terms of trying to have our eMR integrate with the whole of the NSW Health system, it would be a significant technical difficulty ... I think that the eMR at Northern Beaches is very good if it's talking within the same system. But I think, as we've seen across [NSW] Health and simply with the introduction – or pending introduction – of the single digital patient record, interoperability with third-party systems is actually the biggest issue that we face, and it's predominantly a technical one that takes time, resourcing and technical solutions.¹⁹³

2.51 Tino La Spina, former Chief Executive Officer, Healthscope Group acknowledged that there had been integration issues with the eMR which were 'fixed along the way'. However, Mr La Spina stated that the 'fundamental problem' with integration was that the Hospital did not 'get access to patient data that has previously been in other public hospitals' due to a 'philosophical view of the sharing of the patient record with Northern Beaches Hospital'.¹⁹⁴

¹⁸⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 27.

¹⁹⁰ Patricia Hullah, Director Adult Medicine, Member of the Medical Advisory Committee, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 12.

¹⁹¹ Vijay Solanki, Director Cardiac Services, Member of the Medical Advisory Committee, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 13.

¹⁹² Peter Thomas, Chief Operating Officer, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 26.

¹⁹³ Peter Thomas, [Transcript of evidence](#), 17 October 2025, pp 26-27.

¹⁹⁴ Tino La Spina, [Transcript of evidence](#), 17 October 2025, p 25-26.

- 2.52 The Committee understands that NSLHD patient data is shared with the Hospital through the 'Clinical Health Information Exchange' system, but that there is a time lag, because the system only updates overnight.¹⁹⁵
- 2.53 However, the Committee also heard from A/Professor Hullah that the Hospital was 'largely delivering public health and, with the complexity of that, the eMR just didn't suit those services.'¹⁹⁶
- 2.54 The Committee asked NSLHD about the lack of improvements since the 2019 parliamentary inquiry and about NSLHD's responsibility to make sure improvements were enacted. Anthony Schembri, Chief Executive, NSLHD advised that responsibility for implementing IT systems ultimately rested with the hospital operator (Healthscope). He explained that NSLHD's role was oversight rather than execution, because NSLHD did not have direct authority to enact changes. Instead, NSLHD worked closely with Healthscope to encourage improvements.¹⁹⁷
- 2.55 Mr Schembri described the project deed as 'frustrating' because it limited his ability as Chief Executive of the Local Health District to influence operations, workforce, systems and processes at the Hospital in the same way he could for other hospitals in the district.¹⁹⁸
- 2.56 The Committee also asked Healthscope about why the Telstra Health eMR was selected. Mr La Spina said that, 'It was incumbent on the private operator at the time to put in place whatever systems and processes to ensure the operation of a safe hospital.'¹⁹⁹ Mr La Spina also told the Committee:
- At the time, I am informed, the option of going with the same system that the State had elsewhere was explored. It was a significantly higher cost, and there were conversations with the state at the time about including that cost in the delivery of the [public private partnership] and absorbing that. They could have had that choice, and they declined to go that way.²⁰⁰
- 2.57 The Clinical Excellence Commission's (CEC) June 2025 report observed that the Hospital's development of independent systems under the project deed, sometimes resulted in
- ... duplication of effort, gaps in process consistency, and a sense of operational isolation from the broader NSW Health network.²⁰¹
- 2.58 The CEC noted that this was a particular issue for the Hospital's digital infrastructure as it 'created barriers to integration, continuity of care, and data

¹⁹⁵ Kathryn Berry, [Transcript of evidence](#), 17 October 2025, p 26; Peter Thomas, [Transcript of evidence](#), 17 October 2025, p 26

¹⁹⁶ Patricia Hullah, [Transcript of evidence](#), 17 October 2025, p 12.

¹⁹⁷ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, pp 17-18.

¹⁹⁸ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 18.

¹⁹⁹ Tino La Spina, [Transcript of evidence](#), 17 October 2025, p 27.

²⁰⁰ Tino La Spina, [Transcript of evidence](#), 17 October 2025, p 27.

²⁰¹ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), June 2025, p 4.

sharing across the broader Local Health District'. To ensure equitable care and treatment for Northern Beaches Hospital patients, the CEC stated:

Strengthening alignment with NSW Health's digital systems and IT infrastructure would not only reduce inefficiencies but also enhance clinical connectivity, streamline workflows, and support a more unified approach to patient care.²⁰²

- 2.59 In March 2026, Mr Schembri told the Committee that the Local Health District expects to start transitioning to the Single Digital Patient Record (SDPR) system towards the end of 2026. He also advised that this implementation is a key part of ensuring the integration of the Hospital with the Local Health District and the broader NSW public health system.²⁰³

What is Single Digital Patient Record?

The Single Digital Patient Record (SDPR) is new system that is being introduced in every NSW Health public hospital and health service across NSW. The SDPR aims to provide healthcare workers with a full picture of a person's health information. In the SDPR, records (such as test results, appointments, and treatment history) would be included in a single system. While the SPDR rollout has started, it is expected to take several years.²⁰⁴

- 2.60 The Committee finds that insufficient action was taken to resolve this integration problem. Despite interoperability risks being identified in 2019, the governance and funding arrangements under the public private partnership did not result in timely resolution of these risks. The Committee is concerned that a hospital delivering significant public health services operated for years without full integration into the NSW Health digital ecosystem.
- 2.61 The Committee acknowledges plans to implement the SDPR system in the NSLHD, and that this is intended to improve the Hospital's integration and address the operational challenges experienced by the Hospital's staff. However, the Committee is concerned that NSLHD's rollout of the SDPR does not appear to have a fixed completion date. As the Hospital has transitioned to public operation, the Committee recommends that NSLHD resolve the integration issues between the Hospital and the Local Health District's eMRs as a priority.

The Hospital's eMR also has internal integration issues with the patient administration system, particularly in the emergency department

- 2.62 The Committee also heard evidence that the Hospital's eMR suffered from internal integration issues in the emergency department. In the emergency department, the eMR is used alongside another electronic patient administration system called webPAS.²⁰⁵ The webPAS system manages patient information and

²⁰² Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), p 4.

²⁰³ [Letter from Anthony Schembri to the Chair](#), 6 March 2026, p 1.

²⁰⁴ NSW Health, [Single Digital Patient Record](#), accessed 15 May 2026.

²⁰⁵ [Letter from Anthony Schembri to the Chair](#), 9 March 2026, p 1.

data from a patient's admission to discharge. It includes clinician notes and in-hospital records such as pathology reports.²⁰⁶

- 2.63 The performance audit reported that information could not easily be shared between these two systems, and that this created risks for effective clinical decision making.²⁰⁷ Anthony Schembri, Chief Executive, NSLHD, also acknowledged that the systems didn't 'talk to each other' and advised that work was being done to address this issue.²⁰⁸
- 2.64 Members of the Hospital's Medical Advisory Committee, NBH (MAC) commented on the issue of internal integration from a clinician perspective. They noted that the eMR does not show live data reporting, such as triage times and discharge times. The MAC also commented that:
- Not being able to triage in the EMR (triaging can only occur in an alternative computer system called webPAS) is a clinical risk as vital signs from triage observations cannot be seen in EMR, meaning clinical deterioration cannot be easily observed.²⁰⁹
- 2.65 In March 2026, the Interim Chief Executive Officer of the Hospital, Kathryn Berry, advised that from mid 2024 to the end of 2025, Healthscope had invested approximately \$1.9 million (not including project management expenses) in the Hospital's IT systems and digital capability. This investment included an upgrade of the Hospital's eMR, as well as a new emergency department triage upgrade. It cost \$472,203 and was completed in November 2025. However, the Hospital noted that the upgrade encountered implementation challenges. When under load, some functions 'degraded' and nonessential features were temporarily disabled, requiring a further 'tuning' release to fix.²¹⁰
- 2.66 In correspondence with the Committee, Anthony Schembri, Chief Executive, NSLHD provided further information the operation of these upgrades, noting that:
- ... on 27 November 2025, Healthscope implemented the NBH Triage solution, which enhances the visibility of observations taken at the time of triage in the Patient Administration System (webPAS) within the electronic medical record (eMR). This upgrade also supported the implementation of a "Could it be Sepsis" trigger which supports the recognition of and response to physiological deterioration within the eMR.²¹¹
- 2.67 The Committee acknowledges these recent upgrades to the Hospital's eMR to improve clinicians' access to patient information at the triage stage. Due to the importance of this system functionality in the emergency department, we recommend that NSLHD commission an independent clinical safety review of

²⁰⁶ Dedalus, [Dedalus webPAS](#), accessed 22 May 2026.

²⁰⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

²⁰⁸ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 17.

²⁰⁹ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, p 3.

²¹⁰ [Letter from Kathryn Berry to the Chair](#), 2 March 2026, pp 1-2.

²¹¹ [Letter from Anthony Schembri to the Chair](#), 9 March 2026, p 1.

these recent upgrades to assess whether the system updates are fit for purpose and adequately resolve integration issues within the emergency department. As part of this feedback should be sought from Hospital staff on operational effectiveness and whether any internal integration issues remain.

Patient and carer escalation pathways appeared under supported at the Hospital

- 2.68 Patient and carer escalation pathways are another important tool for hospitals managing clinical risk to deteriorating patients.²¹² For example, the Recognise, Engage, Act, Call, Help is on its way (REACH) program was developed by the Clinical Excellence Commission (CEC) in 2013 to help patients, carers and their families escalate their concerns about worrying changes in a patient's condition.²¹³
- 2.69 REACH was implemented at the Northern Beaches Hospital in September 2019.²¹⁴ Healthscope reported that, in a recent audit of REACH calls at the Hospital between February and July 2024, 81 calls were made to the Hospital's REACH phone, and that no call required a rapid response during this period. Healthscope also reported that 'significant improvements' had been made to the REACH program at the Hospital since February 2025.²¹⁵
- 2.70 In June 2025, the CEC reported on the patient and carer escalation programs at the Hospital. The CEC commented that although the Hospital had a 'comprehensive suite' of escalation programs, including REACH, the culture of escalation amongst staff needed to be strengthened.²¹⁶
- 2.71 The CEC described a hesitancy from junior staff to raise concerns unless they had full certainty, which was compounded by variable availability of senior clinical staff and 'a tendency to minimise or dismiss red flags instead of triggering appropriate escalation pathways'.²¹⁷
- 2.72 The CEC also commented that the REACH program and other patient and carer escalation pathways needed more work to 'ensure staff and patients understand and engage with, and respond to, escalation processes across the facility'.²¹⁸
- 2.73 The CEC made two recommendations to the Hospital that directly related to the REACH program, these included that the Hospital:
- review and amalgamate deteriorating patient, CERS and REACH policies to create a unified approach to governance, education, process, auditing and

²¹² Clinical Excellence Commission, [Overview](#), accessed 22 May 2026.

²¹³ [Submission 201](#), p 11; [Submission 236](#), p 24.

²¹⁴ [Submission 236](#), p 24.

²¹⁵ [Submission 236](#), p 24.

²¹⁶ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), p 3.

²¹⁷ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), p 3.

²¹⁸ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), p 3.

evaluation; and include minimum observation requirements and frequencies for specific patient populations, including paediatrics.

- continue with established auditing processes including sepsis, REACH and CERS and strengthen with a view to developing robust improvement initiatives with clearly defined timelines and evaluation criteria to address gaps.²¹⁹

2.74 The Committee also notes that there was a recent change to the REACH program across NSW. In March 2026, NSW Health launched the 'Raise It' program, which replaced the REACH program following a CEC roundtable in 2025. Key elements of the new program are the implementation of a single, statewide number to make 'Raise It' calls to, and an awareness campaign focused on providing clear, simple information to patients and families about how to raise concerns in hospitals.²²⁰

The Hospital's incident management systems did not integrate with their NSW Health counterparts

2.75 The Committee heard that the Hospital's incident management systems posed integration issues similar to those faced with the eMR.

2.76 In NSW hospitals, clinical incidents are given a harm score from 4 (least serious) to 1 (most serious). A Serious Adverse Event Review (SAER) is required for all Harm Score 1 incidents.²²¹ Incident management systems assist hospitals in identifying and managing these events, and reporting on and learning from them.²²²

2.77 All public hospitals in NSW use the incident management system called ims+ to document and action learnings from clinical incidents.²²³ NSW Health reported that statewide use of a common incident management system:

... allows for feedback and analysis of trends identified from incident reports and SAER Reports aggregated to state, local health district, facility, speciality, service and ward level.²²⁴

2.78 When the Hospital opened, Healthscope implemented different incident management systems, called Riskman and eQuaMs. Riskman is used to report on incidents at the Hospital, and eQuaMS is used to store and monitor SAER reports and recommendations.²²⁵

²¹⁹ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), p 7.

²²⁰ Minister for Health, [Patients, families and carers encourages to Raise It](#), media release, 26 March 2026, accessed 24 April 2026.

²²¹ Clinical Excellence Commission, [Serious Adverse Event Review \(SAER\)](#), accessed 2 April 2026.

²²² Australian Commission on Safety and Quality in Health Care, [Incident Management Guide](#), November 2021, p 2.

²²³ Clinical Excellence Commission, [Incident Management](#), Policy Directive 2020_047, 14 December 2020, p 1.

²²⁴ [Submission 201](#), p 10.

²²⁵ [Submission 236](#), p 23.

- 2.79 NSLHD does not have direct visibility into the Hospital's Riskman system.²²⁶ Major incidents were instead reported to NSLHD and the Ministry of Health, as required, and minor harm and near-miss incidents were reported in summary to NSLHD each month.²²⁷
- 2.80 However, the Auditor-General's performance audit noted that there were system reporting limitations in Healthscope's risk management program. The performance audit reported that the Hospital was 'unable to interrogate its incident management system for emerging themes'. The performance auditors asked Healthscope to consider the effect of fatigue in reported incidents. Healthscope was reportedly unable to provide this analysis, due to the staff hours required to manually read and code the relevant incidents.²²⁸
- 2.81 The performance audit also found that there is a risk that the incident management system at the Hospital is not fit for purpose. This exposed NSLHD to risk as it relied on a level of analysis and reporting by Healthscope that was not undertaken.²²⁹
- 2.82 Both Healthscope and NSLHD reported to the performance audit that incident reporting culture at the Hospital was good and comparable to NSW public hospitals. However, the performance audit observed that this assessment was not quantified.²³⁰
- 2.83 In June 2025, the Clinical Excellence Commission (CEC) reported that limitations in the Hospital's reporting systems, many of which rely heavily on manual processes, further compounded a reporting burden experienced by staff.²³¹
- 2.84 The CEC also noted that staff had consistently raised that 'the burden of dual reporting requirements' was a significant challenge. Staff were required to report both to NSW Health under the project deed and via Healthscope's corporate governance structures. The CEC observed that this:
- resulted in duplication, administrative complexity, and uncertainty around roles, responsibilities, and priorities.
 - consumed valuable clinical and managerial time that could have been directed toward quality improvements and patient care.²³²
- 2.85 Several other factors also constrained the Hospital's 'ability to conduct thorough incident reviews, closed-loop feedback, and effectively disseminate learnings across departments'. These factors included:

²²⁶ [Submission 201](#), p 10.

²²⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 19-20.

²²⁸ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 20.

²²⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 20.

²³⁰ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 20.

²³¹ Clinical Excellence Commission, [Independent Inquiry Northern Beaches Hospital Executive Summary and Recommendations](#), p 4.

²³² Clinical Excellence Commission, [Independent Inquiry Northern Beaches Hospital Executive Summary and Recommendations](#), p 4.

- That the clinical governance structures at the Hospital were established but under-resourced and not-fully aligned with the complexity and demands of the organisation.
 - That key leadership roles had experienced turnover or remained vacant.
 - That several governance committees lacked continuity, robust processes and clear mechanisms for formal action.²³³
- 2.86 Unions NSW used its submission to call on the NSW Government to take immediate steps to ensure safe working conditions for staff, including the improvement of electronic systems issues and risk management and incident prevention processes.²³⁴
- 2.87 On 22 April 2026, NSLHD reported that Riskman was being replaced by ims+ as part of the Hospital's transition to public operation.²³⁵ The Committee is pleased that NSLHD has started to address issues with the Hospital's risk management systems, by adopting the same system used by other public hospitals.
- 2.88 However, the Committee remains concerned about lasting impacts from the Hospital's previous incident management and risk reporting systems, structures and culture. The Committee notes the performance audit's commentary on the inadequacy of the Hospital's current incident management system, particularly with regard to emerging risk theme analysis.
- 2.89 Robust systems are important to appropriately support risk monitoring and analysis, now that the Hospital has transitioned to public operation. The Committee therefore recommends that following the Hospital's transition to public management, NSLHD should:
- (a) provide Hospital staff with ongoing training and resources on how to use ims+ effectively, and
 - (b) within 6 months, conduct a review of the Hospital's incident management and risk theme analysis processes, identify any ongoing weaknesses in incident management processes and culture and implement strategies to resolve identified weakness.

Capable and committed staff were hindered by structural challenges

Finding 8

The Safe Staffing Levels initiative was not implemented at Northern Beaches Hospital despite this framework being progressively applied across NSW in the public health system.

²³³ Clinical Excellence Commission, [Independent Inquiry Northern Beaches Hospital Executive Summary and Recommendations](#), p 4.

²³⁴ [Submission 247](#), Unions NSW, p 4.

²³⁵ Northern Sydney Local Health District, [Northern Beaches Hospital Transition Update](#), 22 April 2026.

Finding 9

Northern Beaches Hospital staff were working within a structure that left them routinely overstretched, unsupported and isolated from the wider NSW Health system.

Finding 10

Workforce pressures at Northern Beaches Hospital reflected systemic structural constraints rather than a lack of staff commitment or professionalism.

Recommendation 6

That Northern Sydney Local Health District ensure that staffing levels at Northern Beaches Hospital are consistent with other public hospitals, including through the implementation of the Safe Staffing Levels initiative and recommendations of the Clinical Excellence Commission, now that the Northern Beaches Hospital has transitioned to public operation.

Recommendation 7

That Northern Sydney Local Health District ensure that employment, pay and conditions of Northern Beaches Hospital staff are protected and not reduced, now that the Northern Beaches Hospital has transitioned to public operation.

- 2.90 The Committee heard from healthcare professionals that the public private partnership created operational impacts on the Hospital's working environment, which negatively impacted staff wellbeing and quality of care.
- 2.91 Healthscope was responsible for staffing under the project deed, and NSLHD had limited opportunities to enforce NSW Health staffing practices and policies. The Committee heard that staffing levels in the Hospital's emergency department did not align with other public hospitals. This was partly anticipated under the project deed, which assumed that Healthscope would find efficient modes of service delivery, including within its workforce.
- 2.92 The Committee received evidence that staff had raised concerns about staffing levels shortly after the Hospital had first opened. Furthermore, that the NSW Government Safe Staffing Levels initiative was not implemented in the emergency department. This meant that the Hospital, which provided public health services to a major metropolitan population was operating outside of the staffing frameworks that were being progressively applied across NSW in the public health system.
- 2.93 Healthcare staff were also concerned about nurse to patient ratios, policies discouraging calling in extra staff when needed, and a lack of junior doctors. Witnesses linked understaffing not only to workforce fatigue, but also to operational consequences including delayed discharge, emergency department congestion, and increased clinical risk.

Healthscope was responsible for staffing under the project deed

- 2.94 The project deed allocated responsibility for staffing the Hospital to Healthscope. This included workforce matters such as recruitment, training and retention of

staff, payment of employees and negotiation of employee entitlements, employee performance management and ensuring a healthy and safe workplace.²³⁶

- 2.95 Under the project deed Healthscope was required to staff the Hospital in accordance with good operating practices.²³⁷ Under the project deed's agreed terms, good operating practices included 'ensuring that sufficient clinical, operation and maintenance personnel' were available to meet the expectations of the project deed.²³⁸
- 2.96 The Hospital was also required to submit a workforce project plan to NSLHD, and to review this plan at least every three years. The plan was most recently updated in December 2024, and its implementation was monitored through the Operational Services Group.²³⁹ This group met monthly and included both Hospital and NSLHD representatives.²⁴⁰
- 2.97 The performance audit described how the public private partnership anticipated that:
- ... models of care and workforce composition at the Northern Beaches Hospital will differ from those deployed at public hospitals in NSW. ... by allowing Healthscope to find efficient modes of service delivery, including with respect to workforce, Healthscope is more willing to accept a discounted price for the service it delivers.²⁴¹
- 2.98 The Committee notes that the project deed's staffing model appeared to create challenges for NSLHD when managing the Hospital's performance. The Local Health District had limited options for enforcing its own emerging best practices and policies. For example, in 2023, the NSW government committed to implementing the Safe Staffing Levels initiative in NSW public hospitals. This initiative aims to increase nurse-to-patient ratios, and in 2024 the program commenced in level five and six emergency departments in the state.²⁴² The Hospital's emergency department provides level five services.²⁴³
- 2.99 The performance audit raised concerns that staffing differences between the Northern Beaches Hospital and other public hospitals could extend over time, creating longer term inequities in quality of care:
- Under the terms of the project deed, Healthscope is not required to implement Safe Staffing Levels. Instead, the project deed requires Healthscope to provide public health services in accordance with good operating practices, including sufficient clinical staff to meet the expectations of the project deed. In time, that could be expected to force Healthscope to adopt something like Safe Staffing Levels, but likely

²³⁶ [Submission 201](#), pp 13-14.

²³⁷ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 215, cl 51 (a) (iii).

²³⁸ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 49, cl 1.1; [Submission 201](#), p 13; [Submission 236](#), p 27.

²³⁹ [Submission 201](#), pp 12-13.

²⁴⁰ [Submission 236](#), pp 26-27.

²⁴¹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

²⁴² Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

²⁴³ [Submission 201](#), p 16.

with a lag. Meanwhile, there may be a period where the Northern Beaches Hospital will not be able to offer the same level of service as its peers in the NSW hospital system.²⁴⁴

- 2.100 Bola Oyetunji, the Auditor-General for New South Wales told the Committee that the difference in staffing levels between the Hospital and its public counterparts were 'most likely' due to Healthscope's commercial imperative to drive efficiency within the Hospital.²⁴⁵
- 2.101 The performance audit recommended that, for any future health service delivery outsourcing arrangements, NSW Health should consider requiring NSW Health staffing models and clinical models of care when developing contracts.²⁴⁶
- 2.102 Healthscope did not implement the Safe Staffing Levels initiative in the Hospital's emergency department.²⁴⁷ In its submission Healthscope commented:
- The project deed does not contemplate changes to workforce management (such as NSW Health Safe Staffing levels program introduced in 2024) nor the additional funding that would be required to implement it.²⁴⁸
- 2.103 Healthscope told the Committee that the Hospital is committed to delivering safe staffing levels to support excellent patient care. Healthscope also advised that it had offered to implement the Safe Staffing Levels initiative, if NSW Health could have provided the Hospital with additional resources equivalent to those at other public hospitals.²⁴⁹
- 2.104 Anthony Schembri, Chief Executive, NSLHD, described the project deed as 'very frustrating' because he could not influence the operations of the Hospital in the same ways he can for other hospitals in the district. Mr Schembri advised that the district had 'actively encouraged' Healthscope to implement Safe Staffing Levels in the emergency department, but that ultimately it was Healthscope's responsibility to manage staffing.²⁵⁰
- 2.105 The Committee is of the view that issues with staffing at the Hospital flowed from the project deed's assumption that the operator would be able to find efficiencies without compromising staff wellbeing and patient care. Instead, staff at the Hospital were left overstretched, under-supported, and were isolated from the broader district. The Committee was also concerned that a hospital providing public health services to a major metropolitan population was operating outside of the staffing frameworks that were being progressively applied across NSW in the public health system.

²⁴⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

²⁴⁵ Bola Oyetunji, [Transcript of evidence](#), 17 October 2025, p 4.

²⁴⁶ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4, recommendation 3.

²⁴⁷ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, pp 1–2.

²⁴⁸ [Submission 236](#), p 28.

²⁴⁹ Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 6.

²⁵⁰ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 17.

Staffing levels were reported to be inadequate

- 2.106 The Committee received evidence on the impacts of the project deed's staffing arrangements at the Hospital. Concerns about unsafe staffing policies and inappropriate ratios of junior to senior practitioners were commonly reported.
- 2.107 Representatives from the Health Services Union (HSU) explained to the Committee that staffing levels decreased following the transition of services from Manly and Mona Vale Hospitals to the Northern Beaches Hospital. Prue Irvine, Organiser, HSU stated, that 'there were lots of cuts to staffing quite early on, which meant that people were working with unsafe ratios'. She also commented that HSU members who came over from Mona Vale and Manual hospitals state that workload had increased.²⁵¹
- 2.108 Ms Irvine also described a reduction in staffing for the security team at the Hospital, stating:
- ... the security team went from, I think, having five people on shift to three, which put our members at a lot of risk of harm. The nurses and patients in the hospital were also at risk because the security weren't attending code blacks or other emergencies at the hospital.²⁵²
- 2.109 Tatiana Lowe, Staff Specialist, Northern Beaches Hospital, and representative of the Australian Salaried Medical Officers Federation described 'persistent systemic failures' in staffing within the emergency department.²⁵³
- 2.110 Dr Lowe also told the Committee that a review of the Northern Beaches Hospital emergency department's staffing between January 2023 and March 2024 found that it often operated with 10 to 30 per cent of shifts unfilled. The average number of doctors rostered on at the emergency department was 30 per day, so it was routinely operating at three to nine doctors below the intended roster. The Australasian College for Emergency Medicine's G23 safe staffing policy recommends that 32 to 40 doctors should be rostered per 24 hours in an emergency department of similar capacity.²⁵⁴
- 2.111 Members of the Medical Advisory Committee, NBH (MAC) also reported that in order for the Hospital's emergency department to meet the Safe Staffing Levels initiative, it would need 121.6 full time equivalent employees. The MAC reported that, as of November 2025, there were 101.7 full time equivalent employees.²⁵⁵
- 2.112 Dr Lowe also described an internal Hospital policy that further contributed to understaffing, telling the Committee that:
- ... you can't ask for more staff until you're five doctors down. I'm not aware of that, as a rule, in the average public ED. In fact, calls for extra staffing would often go out

²⁵¹ Prue Irvine, Organiser, Health Services Union, [Transcript of evidence](#), 28 November 2025, p 17-18.

²⁵² Prue Irvine, [Transcript of evidence](#), 28 November 2025, p 18.

²⁵³ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 3.

²⁵⁴ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 3.

²⁵⁵ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, pp 1-2.

immediately if a doctor called in sick in our public counterparts, so I think that would be a distinct difference.²⁵⁶

- 2.113 Some inquiry participants also raised concerns that financial imperatives in the public private partnership model led to cost cutting at the Hospital.²⁵⁷ In this context, ASMOF reported member concerns about 'chronic understaffing, excessive working hours, bed block, insufficient overtime compensation, and restricted access to leave.'²⁵⁸
- 2.114 Anthony Schembri, Chief Executive, NSLHD told the Committee he had recently met with various nurses and doctors' unions on a number of occasions to discuss issues including 'inadequate staffing of the hospital that they believe create additional challenges to the delivery of care.'²⁵⁹
- 2.115 Healthscope told the Committee that it was 'committed to delivering safe staffing levels to support excellent patient care.'²⁶⁰ In its May 2025 submission, Healthscope reported growth in the number of nurses and junior medical officers employed at the Hospital over the previous year. It also reported a drop in the nursing staff turnover rate and a reduction in agency staff hours used by the Hospital over the same period.²⁶¹
- 2.116 The Committee was concerned to learn of the pressures faced by Hospital staff under the project deed's staffing arrangements. Reports of internal policies that discouraged replacement doctors to cover empty shifts²⁶² and the lack of implementation of the Safe Staffing Levels initiative²⁶³ were of particular concern. The Committee also acknowledges that the project deed predated Safe Staffing Levels, and that Healthscope did not receive additional financial support from NSW Health to implement this initiative.

There were numerous impacts due to the Hospital's staff levels

- 2.117 The Committee also heard that staffing issues at the Hospital had negatively impacted the wellbeing of healthcare workers and the quality of care being provided to patients.
- 2.118 Tatiana Lowe, Staff Specialist, Northern Beaches Hospital spoke to the Committee about the impact of understaffing on Hospital staff:

The cumulative effects of excessive hours, unsafe staffing and unreliable rostering have taken a significant toll on doctors physically, mentally and emotionally. Many have experienced burnout, chronic exhaustion, loss of personal time and, in some cases, long-term harm to health, relationships and career trajectories. I think that

²⁵⁶ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 3.

²⁵⁷ [Submission 20](#), Mr Robert Steers, p 1; [Submission 75](#), Mr Gunther Wagner, p 1; [Submission 243](#), Mrs Zali Steggall OAM MP, p 9.

²⁵⁸ [Submission 243](#), p 9.

²⁵⁹ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 20.

²⁶⁰ Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 6.

²⁶¹ [Submission 236](#), p 8.

²⁶² Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 3.

²⁶³ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, pp 1-23.

you cannot underestimate the effect that these have. Some of those effects are seen throughout the healthcare system.²⁶⁴

- 2.119 Dr Lowe linked understaffing not only to workforce fatigue, but also to operational consequences including delayed discharge, emergency department congestion, and increased clinical risk.²⁶⁵
- 2.120 Lauren Hutchins, Assistant Secretary, Health Services Union also highlighted the negative consequences of understaffing on healthcare workers and their patients, commenting:
- ... you have incredible staff that are very dedicated to serving the patients and their families that enter the hospital, and who absolutely have gone above and beyond with shrinking resources and shrinking staff numbers to make sure that they deliver on the care that they signed up to deliver ... how you get from an incredibly dedicated staff to adverse outcomes that we're aware of is because someone at the end of all of this is making sure that the shareholder's needs are met as well.²⁶⁶
- 2.121 The Committee is concerned about the reports of understaffing at the Hospital impacting patient care. This evidence supports concerns raised by the performance audit that the public private partnership may lead to the Northern Beaches community receiving diminished service levels over time when compared to other NSW public hospitals.²⁶⁷
- 2.122 We also note that the Clinical Excellence Commission considered staffing issues in its recent inquiry and recommended that, within six months, the Hospital:
- (a) Review nurse staffing and ratios to align them with the NSW Health Safe Staffing Framework.
 - (b) Update the workforce plan to include multidisciplinary resource requirements (ensuring all disciplines are included), the requirements of different areas of the organisation, including appropriate seniority and experience in specialist areas.²⁶⁸
- 2.123 The Committee reiterates and supports both the performance audit recommendation and the recommendations of the Clinical Excellence Commission. As part of the Hospital's first years under public operation, NSLHD should ensure that staffing levels at the Hospital are consistent with other public hospitals, including through the implementation of Safe Staffing Levels at the Hospital.
- 2.124 The Committee is of the view that workforce pressures at Northern Beaches Hospital reflected systemic structural constraints rather than a lack of staff commitment or professionalism.

²⁶⁴ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 5.

²⁶⁵ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, pp 3-4.

²⁶⁶ Lauren Hutchins, Assistant Secretary, Health Services Union, [Transcript of evidence](#), 28 November 2025, p 19.

²⁶⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

²⁶⁸ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), June 2025, p 8.

Junior Medical Officer recruitment

- 2.125 The allocation, recruitment and retention of Junior Medical Officers (JMOs) appeared to be another issue created by the project deed's allocation of risk and staffing responsibility to Healthscope.

What is a Junior Medical Officer?

A JMO is a doctor who has graduated medical school and is now in training. NSW Health recruits JMOs annually to work in public hospitals and other state run health facilities.²⁶⁹ JMOs include interns and Resident Medical Officers.²⁷⁰

- 2.126 NSW Health and Healthscope had an agreement that NSW Health employed JMOs could be sent on secondment to Northern Beaches Hospital as part of their graduate training program. This agreement was set out through a Memorandum of Understanding. NSW Health paid the salaries of the seconded JMOs, and Healthscope then paid NSW Health for the services of the seconded JMOs.²⁷¹ The majority of JMOs working at the Hospital were employed by NSW Health.²⁷²

- 2.127 Members of the Medical Advisory Committee, NBH (MAC) told the Committee that Healthscope would not be able to employ enough JMO's to permanently compensate for 'the failure of the LHDs to allocate designated junior staff to NBH.'²⁷³ The MAC also highlighted that the JMO secondment arrangements presented a staffing challenge:

A predominant and constantly challenging aspect of staffing the NBH is the failure of the NSLHD (and, on occasion, other Districts) to consistently provide allocated junior medical staff to NBH.²⁷⁴

- 2.128 The Committee asked Anthony Schembri, Chief Executive, NSLHD, about the challenges of JMO allocations. Mr Schembri told the Committee that he had met with the Hospital's Medical Staff Council, who had raised concerns that other hospitals in the LHD received greater preference than Northern Beaches Hospital. He told the Committee that:

When I became aware of that, I instructed our JMO unit and our Executive Medical Director to conduct a review, and they found that there was no disadvantage applied to Northern Beaches, or no preference applied to Hornsby or Ryde or North Shore. There was a proportional allocation of JMOs to Northern Beaches. Unfortunately, and particularly during the later period of the calendar year, there are a number of vacancies in JMOs for a number of reasons. It's not unique to Northern Sydney. But

²⁶⁹ NSW Health, [Junior Medical Officer Applicant Guide](#), last updated 21 August 2024, accessed 18 May 2026; NSW Health, [International applicants – frequently asked questions](#), last updated 21 August 2023, accessed 18 May 2026.

²⁷⁰ NSW Health, [Answers to questions on notice](#), 3 November 2025, p 1.

²⁷¹ [Submission 201](#), p 14; Legislative Council Portfolio Committee No. 2 – Health, [Operation and management of the Northern Beaches Hospital](#), report 52, Parliament of New South Wales, February 2020, p 54.

²⁷² [Submission 215](#), Members of the Medical Advisory Committee, NBH, p 6; [Submission 236](#), p 30.

²⁷³ [Submission 215](#), p 7.

²⁷⁴ [Submission 215](#), p 6.

we worked very hard to ensure that that allocation is fair and reasonable to Northern Beaches.²⁷⁵

- 2.129 The Committee understands that vacancies within allocated JMO positions are not unique to the Northern Beaches Hospital, and that all hospitals are responsible for directly recruiting JMOs where vacancies occur.²⁷⁶ NSW Health reported that in the 2025 Clinical Year, there were Residential Medical Officer vacancies throughout the district. All hospitals within the Network were notified and encouraged to undertake additional recruitment to fill anticipated vacancies, with Hornsby Ku-ring-gai Hospital completing five rounds of recruitment.²⁷⁷
- 2.130 Matthew Morgan, Director Adult Intensive Care, and Member of the Medical Advisory Committee, NBH, acknowledged that recruitment of junior and senior medical staff is difficult across NSW at present. He referenced ongoing industrial actions and low overall morale across the workforce as limiting factors in recruitment efforts.²⁷⁸
- 2.131 The Committee also heard evidence that employment conditions at the Northern Beaches Hospital may have contributed to difficulties with JMO recruitment. Northern Beaches Hospital staff were employed under a different award to their public hospital counterparts, and therefore their pay and conditions were not the same as NSW Health employees.²⁷⁹ A/Prof Morgan told the Committee that employment under a different medical practitioners award at the Hospital was a 'friction point in the ability to attract and retain junior doctors.'²⁸⁰
- 2.132 The MAC also explained to the Committee that NSW Health did not recognise Healthscope's employment of staff at the Northern Beaches Hospital as continuous service within NSW Health. This meant that public sector employee benefits could not be carried over or transferred during a period of employment at the Hospital, which the MAC described as a 'significant deterrent' for JMOs considering working there.²⁸¹
- 2.133 The Committee is of the view that the allocation of staffing risk to the Operator, broader recruitment challenges in the health system, and the poor integration of the Hospital staff and recruitment within the public system ultimately disadvantaged Hospital staff and isolated them from the broader NSW Health network. Now that the Hospital has transitioned to public operation, NSLHD should ensure that employment, pay and conditions of Hospital staff are protected and not reduced as a result of the transition.

²⁷⁵ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 18.

²⁷⁶ NSW Health, [Answers to questions on notice](#), 3 November 2025, pp 1-2.

²⁷⁷ NSW Health, [Answers to questions on notice](#), 3 November 2025, pp 1-2.

²⁷⁸ Matthew Morgan, Director Adult Intensive Care, Member of the Medical Advisory Committee, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 11.

²⁷⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 13.

²⁸⁰ Matthew Morgan, [Transcript of evidence](#), 17 October 2025, p 11.

²⁸¹ [Submission 215](#), p 7.

Staffing changes reported to have occurred as part of the recent Hospital transition

- 2.134 As noted earlier, the Hospital transitioned to public operation in April 2026. On 29 April 2026, the NSW Government announced that more than 1,800 Northern Beaches Hospital staff had joined NSW Health as employees, including nurses, midwives, doctors, allied health professionals and support staff.²⁸²
- 2.135 The NSW Government also announced that nurses, midwives and allied health staff at the Hospital would have access to additional career development opportunities.²⁸³ The Committee is hopeful that the Hospital's transition will resolve the issue of inequity in staffing levels between the Hospital and its public counterparts.

Concerns about the Hospital's equipment and supplies

Finding 11

Healthcare staff raised concerns about the replacement and refurbishment of medical equipment and cleaning supplies.

Recommendation 8

As part of the Hospital's transition to public operation, the Northern Sydney Local Health District should conduct an audit of equipment and supplies to ensure the Hospital is appropriately equipped to support safe and quality care.

- 2.136 During the inquiry, the Committee heard concerns about the inadequacy of the Hospital's medical equipment and supplies, and the potential risks to patient safety.
- 2.137 For example, the performance audit noted that the Hospital did not have the 'Vision for Life' camera system at the time of the audit. The Hospital does not and is not permitted to have an Neonatal Intensive Care Unit, which instead is located at the Royal North Shore Hospital. The 'Vision for Life' camera system is used in many public hospitals by the Newborn and Paediatric Emergency Transport Service team to coordinate clinically necessary hospital transfers. The performance audit also noted that the Hospital used an alternate system, which created risks for the coordination and safety of transfers.²⁸⁴
- 2.138 The performance audit further noted that the Clinical Integration Committee had the installation of the camera system listed as an agenda item for over two years with no progress. At the time of the audit, this issue had been recently escalated via formal correspondence.²⁸⁵

²⁸² Premier, Treasurer, Minister for Health, [Northern Beaches Hospital officially transitions to public hands](#), media release, 29 April 2026, accessed 18 May 2026.

²⁸³ Minister for Health, [Nurses and midwives at Northern Beaches Hospital to receive extended opportunities in public health system](#), media release, 1 May 2026, accessed 18 May 2026; Minister for Health, [Northern Beaches Hospital allied staff to benefit from expanded opportunities in NSW public health system](#), media release, 1 May 2026, accessed 18 May 2026.

²⁸⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 27.

²⁸⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 27.

- 2.139 At the public hearing, Mr Schembri advised that the cameras had been difficult to install due to integration issues between the Hospital's and NSW Health's IT systems. He also advised that the cameras were now in operation at the Hospital.²⁸⁶
- 2.140 During the inquiry, the Committee also heard concerns about broken and inadequate equipment and resources at the Hospital. For example, Dr Tatiana Lowe, Staff Specialist, Northern Beaches Hospital, and Australian Salaried Medical Officers Federation (ASMOF) representative advised that ASMOF had received consistent reports of 'repeated equipment and resource failures'. Dr Lowe also highlighted that some of these issues have persisted despite being raised in previous inquiries.²⁸⁷
- 2.141 Similarly, Prue Irvine, Organiser, Health Services Union, advised that union members did not have the proper equipment to do their roles. In particular, she commented that a lack of specific cleaning tools created potential risks for patient safety. She also told the Committee that there was a room at the Hospital filled with broken equipment. Some Hospital beds were also reported to be broken, which impacts patient's mobility.²⁸⁸
- 2.142 Some stakeholders noted a possible link between the quality of medical equipment and cost cutting measures.²⁸⁹ The Centre for International Corporate Tax Accountability and Research noted the example of a chain of hospitals under private equity management, which reported equipment shortages resulting from cost cutting.²⁹⁰
- 2.143 In light of these concerns, the Committee recommends that NSLHD conduct an audit of equipment and supplies in the Hospital. This will ensure the Hospital and healthcare workers are equipped to support safe and quality public health care into the future.

²⁸⁶ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 17.

²⁸⁷ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 2; Prue Irvine, [Transcript of evidence](#), 28 November 2025, pp 17-18

²⁸⁸ Prue Irvine, [Transcript of evidence](#), 28 November 2025, pp 17-18.

²⁸⁹ [Submission 184](#), Save Mona Vale Hospital Community Action Group, p 2; [Submission 242](#), Centre for International Corporate Tax Accountability and Research (CICTAR), p 4.

²⁹⁰ [Submission 242](#), p 4.

Chapter Three – The performance of the Northern Beaches Hospital

Introduction

- 3.1 This chapter examines the performance of the Northern Beaches Hospital (the Hospital), and weighs the Hospital's performance data against the experiences that stakeholders reported to the Committee.
- 3.2 The chapter begins by outlining the Hospital's performance compared to other hospitals, with reference to data published by the Bureau of Health Information (BHI). The Hospital's performance under the expectations set in the project deed is also discussed, before turning to the evidence given to the Committee by healthcare workers and community members.
- 3.3 While the Hospital generally performance well according to available performance data, the Committee notes that some positive performance outcomes may have been attained through extraordinary staff effort rather than through a resilient and effective operating model.
- 3.4 The Committee also heard that the rate of Harm Score 1 service adverse event reviews (SAER) at the Hospital was broadly comparable to its peer group. However we note that the Clinical Excellence Commission made a number of recommendations to the Hospital in its June 2025 report aimed at strengthening the Hospital's SAER capability and training processes.

Northern Beaches Hospital's performance compared to other public hospitals

Finding 12

Based on quantitative performance metrics, Northern Beaches Hospital has performed well when compared with peer hospitals; however, this data does not align with the lived experience of community members and hospital staff reported to the Committee.

- 3.5 Published BHI data indicates that the Northern Beaches Hospital often outperforms its peer hospitals in certain metrics. In addition to this performance data, the Committee notes that the Hospital has improving rates of hospital-acquired complications and broadly comparable rates of Serious Adverse Event Reviews, and has maintained its accreditation with the Australian Commission on Safety and Quality in Health Care.
- 3.6 The Committee found that the Hospital has performed well when compared to peer hospitals, based on quantitative metrics. However, we note stakeholder concerns about the quality of the Hospital's data, data collection processes and data analysis capabilities.

3.7 Significantly, the Committee also found that the Hospital's positive performance data does not align with the lived experiences of staff and community members. The Committee is deeply concerned about the devastating impacts that some patients and their families have experienced at the Hospital. We also acknowledge the dedication of hospital staff in overcoming systemic challenges to achieve the Hospital's performance results.

The Hospital's emergency department generally performed at or above its peer group according to Bureau of Health Information data

3.8 The Bureau of Health Information (BHI) is a board-governed statutory health corporation that provides independent information on the performance of the NSW public healthcare system. It reports on activity and performance for emergency departments, elective surgery, admitted patient and ambulance services.²⁹¹

3.9 The BHI regularly publishes hospital level performance data on its Data Portal.²⁹² As demonstrated in Table 6, this performance data shows the Hospital generally meeting or exceeding its peer group in emergency department metrics.

Table 6: Emergency department performance of Northern Beaches Hospital and peer group²⁹³

	Percentage of patients starting treatment on time		Median time spent in the ED (all ED attendance)		Percentage of patients transferred from paramedics to ED staff within 30 minutes	
	Jul – Sep 2025	Jul – Sep 2024	Jul – Sep 2025	Jul – Sep 2024	Jul – Sep 2025	Jul – Sep 2024
NBH	66.4%	74%	4h 21m	4h 24m	83.7%	91.4%
Peer group	57.8%	53.8%	4h 22m	4h 07m	71.9%	75%

3.10 Healthscope submitted that the Hospital was 'ahead of the NSW state average and hospitals in its peer group' on key measures reported by the BHI. It attributed this performance to the professionalism and dedication of its nurses, doctors and health staff.²⁹⁴

3.11 For instance, Healthscope highlighted that the Hospital 'performed 100% of patients' elective surgeries on time, compared with the state system which achieved 84%' from October to December 2024.²⁹⁵

²⁹¹ Bureau of Health Information (BHI), [What we do](#), accessed 5 March 2026; BHI, [Our role](#), accessed 5 March 2026; BHI, [Healthcare Quarterly](#), accessed 5 March 2026.

²⁹² Bureau of Health Information, [Data Portal](#), accessed 9 March 2026.

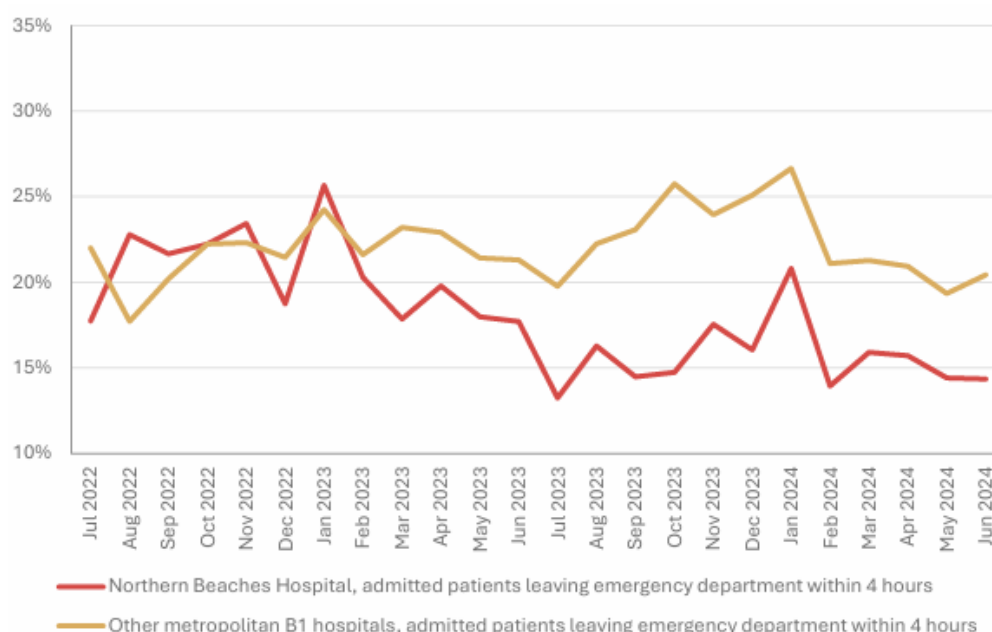
²⁹³ Bureau of Health Information, [Data Portal](#), accessed 9 March 2026.

²⁹⁴ [Submission 236](#), Healthscope Group, p 4.

²⁹⁵ [Submission 236](#), p 4.

- 3.12 The Auditor-General's performance audit found that, while the Hospital had not met its emergency department targets under the project deed, it generally outperformed its peer group.²⁹⁶
- 3.13 The performance audit also reported that the Hospital has underperformed against its peer group for admitted patient emergency treatment performance from February 2023 to June 2024 (Figure 1).²⁹⁷ Figure 1 shows the proportion of patients who spent a total of less than four hours in the emergency department.

Figure 1: Admitted patient emergency treatment performance, per cent of patients with total time in emergency department less than four hours, for the Northern Beaches Hospital and metropolitan B1 peer hospitals, July 2022 to June 2024²⁹⁸



- 3.14 The Committee notes that data published by the BHI appears to be the most comprehensive information on the Hospital's performance over time that is publicly available. However, the Committee also notes that the Portfolio Committee No. 2 – Health (PC2) report described this data as 'limited' in its 2020 report on the Hospital's initial operation and management.²⁹⁹
- 3.15 In its report, PC2 recommended that Northern Sydney Local Health District (NSLHD) establish an additional reporting mechanism for the Hospital to report to the community beyond the BHI's quarterly reporting. PC2 noted that ongoing reporting was needed to 'rebuild trust' within the Northern Beaches community 'through transparency and engagement.'³⁰⁰

²⁹⁶ Audit Office of New South Wales, [Northern Beaches Hospital](#), performance audit, report number #404, 17 April 2025, p 14.

²⁹⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 15.

²⁹⁸ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 15.

²⁹⁹ Legislative Council, Portfolio Committee 2 – Health (PC2), [Operation and management of the Northern Beaches Hospital](#), report 52, Parliament of New South Wales, February 2020, p 126.

³⁰⁰ PC2, [Operation and management of the Northern Beaches Hospital](#), p 126, recommendation 12.

- 3.16 This recommendation was not supported by the former NSW Government, but it was noted.³⁰¹ In a submission to the current inquiry, NSW Health advised that the Hospital's performance data was published in line with other NSW public hospitals. NSW Health also advised that the Hospital itself published safety and quality performance indicators on its website, which was in addition to data published by the BHI and the Australian Institute of Health and Welfare.³⁰²
- 3.17 It is unclear whether NSLHD established mechanisms beyond the BHI's quarterly reporting, to implement this recommendation. Community trust in the Hospital and the need for transparent community engagement is discussed further in Chapter Four.

The Hospital has maintained its accreditation to the National Safety and Quality Health Service Standards since opening

- 3.18 All public and private hospitals in Australia must be accredited to the National Safety and Quality Health Service Standards, which are developed by the Australian Commission on Safety and Quality in Health Care (ACSQHC).³⁰³
- 3.19 The Hospital has maintained its accreditation since opening in October 2018.³⁰⁴ Following initial accreditation, the Hospital was subject to ongoing short notice accreditation assessments. These assessments were originally voluntary and announced in advance. In 2023, ACSQHC transitioned to mandatory short notice assessments, which are conducted within 48 hours of notice being given.³⁰⁵
- 3.20 The Hospital's most recent short notice assessment was in December 2023. From this assessment ACSQHC recommended improvements in 4 of the 151 actions assessed. The Hospital subsequently received full accreditation in March 2024.³⁰⁶

The Hospital underperformed against expectations for 3 out of 14 monitored hospital-acquired complications

- 3.21 The ACSQHC also developed a list of 16 hospital-acquired complications (HACs). A HAC 'is a complication developed during a hospital stay which risk mitigation strategies may help to reduce (but not necessarily mitigate) from occurring.'³⁰⁷
- 3.22 While the ACSQHC's list includes 16 types of complications, the Ministry of Health annually sets targets for 14 HACs for each local health district in NSW. The targets are risk-adjusted based on inputs such as demographics and patient volumes, and

³⁰¹ NSW Government, [Government response to recommendations of the inquiry into the Operation and management of the Northern Beaches Hospital](#), 27 August 2020, p 7.

³⁰² [Submission 201](#), NSW Health, p 15.

³⁰³ Australian Commission on Safety and Quality in Health Care, [Assessment to the NSQHS Standards](#), accessed 9 March 2026.

³⁰⁴ [Submission 201](#), p 8.

³⁰⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 9.

³⁰⁶ Australian Commission on Safety and Quality in Health Care, [Safety in Health Care - Northern Beaches Hospital](#), accessed 4 June 2026; [Submission 236](#), p 14.

³⁰⁷ Australian Commission on Safety and Quality in Health Care, [Hospital-acquired complications \(HACs\)](#), last updated 1 May 2026, accessed 5 May 2026.

the Ministry monitors the performance against these targets on a monthly basis.³⁰⁸

- 3.23 The Committee notes that hospital-level data on HAC performance is not publicly available. However, the Auditor-General's performance audit outlined the Hospital's HAC performance from July 2022 to June 2024. The performance audit noted that the Hospital outperformed against 11 of the 14 HAC targets set by NSW Health for Northern Sydney Local Health District. The Hospital underperformed against expectations on falls, third- or fourth-degree perineal lacerations, and birth trauma.³⁰⁹
- 3.24 The Auditor-General recommended that, by December 2025, Healthscope should resolve safety and quality, system and reporting issues by working with NSW Health to sustainably address underperformance on HACs.³¹⁰
- 3.25 Healthscope reported that it implemented measures to improve the Hospital's underperformance against the three HACs identified in the performance audit, and that this resulted in measurable improvements against at least two of the HACs.³¹¹ The measures taken were as follows:
- In response to the rate of **falls**, the Hospital strengthened fall prevention strategies. This resulted in a reduction in the overall rate of falls down to 0.47% in October 2025, which was reported to be below the target.³¹²
 - In response to the rate of **perineal lacerations**, the Hospital implemented measures such as 'education of clinicians, new literature for women and a range of clinical governance reporting improvements.' Healthscope reported that the rate of perineal lacerations has reduced from 5.19% in June 2024, to 2.63% in August 2025.³¹³
 - In response to the rate of **birth trauma**, the Hospital:
 - established a multidisciplinary team to identify common birth trauma themes and to evaluate the care and decision-making processes of each incident.
 - improved education and clarified documentation standards to support safe practice, minimise risk and maintain overall stability in outcomes.
 - improved governance, coding and clinician education to strengthen early identification and escalation.³¹⁴
- 3.26 Healthscope advised that the measures to improve the rate of birth trauma have reduced variation in care, and contributed to timelier neonatal safety

³⁰⁸ [Submission 201](#), pp 8-9.

³⁰⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 10, 39 - 44.

³¹⁰ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4, recommendation 2.

³¹¹ Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 9–10.

³¹² Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 9.

³¹³ Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 9–10.

³¹⁴ Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 9–10.

interventions. They also reported 'better collaboration and improved clinical decision-making across the Women's and Children's service.' However, Healthscope did not provide updated data on its performance against this target.³¹⁵ The Committee understands that the NSLHD target for Hospital Acquired Neonatal Birth Trauma was ≤ 73.6 per 10,000 episodes of care in the 2024 – 2025 financial year.³¹⁶

- 3.27 The Committee is pleased that measures have been taken to address the Hospital's underperformance against the HAC targets and it acknowledges the recent improvements reported by Healthscope. However, the Committee also notes that the Auditor-General's recommendation is directed at sustained improvements. Now that NSLHD has taken over the Hospital's operation, it should continue to resolve safety and quality, system and reporting issues to sustainably address underperformance across these hospital-acquired complications.

The Hospital's rates of Harm Score 1 incidents were broadly comparable with its peer group

- 3.28 As discussed in Chapter Two, a Serious Adverse Event Review (SAER) must be undertaken for all clinical Harm Score 1 incidents and for some Harm Score 2 incidents. The Clinical Excellence Commission (CEC) allocates each SAER report received to a Serious Event Review sub-committee, for review and the identification of system wide learning and risks.³¹⁷
- 3.29 In its submission, Healthscope provided data on the number of SAER investigations at the Hospital since its opening. From October 2018 to 13 March 2025, the Hospital had commenced 74 SAER investigations of which 68 were ranked Harm Score 1 and 6 were ranked Harm Score 2. Of the 74 SAER investigations, 44 related to public patients.³¹⁸
- 3.30 Healthscope also advised that 69 SAERs investigations were completed between 2018 and 2024. From these, Healthscope reported that there were 271 recommendations generated and endorsed, and that 249 of the recommendations (92 per cent) were implemented.³¹⁹
- 3.31 In June 2025, the CEC reported that the Hospital's rates of Harm Score 1 incidents were 'broadly comparable' to its peer group.³²⁰ At the October 2025 public hearing, Michael Nicholl, Chief Executive, Clinical Excellence Commission also told the Committee that the CEC has:

... visibility of the serious incidents that occur across the state, whether they be in public or private facilities. With respect to Northern Beaches, if we compare it to

³¹⁵ Healthscope, [Answers to supplementary questions](#), 4 December 2025, pp 9–10.

³¹⁶ Northern Sydney Local Health District, [NSLHD Safety and Quality Account](#), 2024-2025 Report, p 29.

³¹⁷ [Submission 201](#), p 9.

³¹⁸ [Submission 236](#), pp 20-21.

³¹⁹ [Submission 236](#), p 22.

³²⁰ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), June 2025, p 4. The Committee understand that the CEC does not publish hospital level SAER data.

equivalent level 5 hospitals across the public system in New South Wales, they are not an outlier.³²¹

- 3.32 The CEC also commented that SAERs at the Hospital 'would benefit from sustained external input, enhanced training and stronger leadership to enhance objectivity and analytical depth.'³²² The Committee also notes that the CEC made a number of recommendations to strengthen SAER Capability and Improvement Training Opportunities in its June 2025 report.
- 3.33 Now that the Hospital has transitioned to public operation, the Committee recommends that NSLHD be responsible for implementing these recommendations.

Northern Beaches Hospital's performance under the project deed

Finding 13

The key performance indicator regime under the Project Deed was not an effective means of assessing performance or managing risk at Northern Beaches Hospital.

- 3.34 Operational risks related to the Hospital's performance against key performance indicators (KPIs) were allocated to Healthscope under the project deed. The Hospital's performance against the KPIs was overlooked by Northern Sydney Local Health District (NSLHD). NSLHD could apply financial penalties to the monthly service payments to Healthscope if the Hospital underperformed against select KPIs.
- 3.35 The Auditor-General's performance audit found that while the Hospital did not meet all emergency department performance targets, it generally performed better than other peer hospitals. However, an unusual pattern in the Hospital's KPI data was also noted. The Committee acknowledges that although subsequent investigation did not identify any 'practices of concern', they did highlight limitation in the Hospital's IT system.
- 3.36 The Committee also heard concerns about the challenges in implementing the performance measures and limitations inherent in their configuration. These concerns raised questions around whether the use of abatable KPIs alone is the best way to monitor and control a private operator's behaviour in these circumstances. Noting the governance limitations discussed in Chapter Two, the Committee is concerned that the KPI regime was another example of the project deed allocating significant operational risk to one party, in this case, to Healthscope.
- 3.37 The Committee is of the view that the KPI framework did not appear to measure patient experience, patient trust, workforce sustainability, system resilience, cultural issues, reputational deterioration and emerging risks. As will be discussed later in this chapter, the lived experience of healthcare workers and the

³²¹ Michael Nicholl, Chief Executive, Clinical Excellence Commission, [Transcript of evidence](#), 17 October 2025, p 19.

³²² Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), p 4.

community members were also not effectively or adequately reflected in these metrics.

The project deed transferred key operational risks to Healthscope through the project deed's key performance indicator regime

- 3.38 As noted in Chapter Two, the project deed allocated the majority of operational risks to Healthscope. This included responsibilities to meet performance standards in the project deed's key performance indicator regime.³²³
- 3.39 Under the project deed the Hospital was required to provide the 'best quality care'. The performance audit noted that this objective was operationalised by requiring the Hospital to perform 'within the top quartile of performance across many key performance indicators.'³²⁴
- 3.40 A KPI is a numerical or descriptive measure for the efficiency or effectiveness of an activity.³²⁵ NSLHD monitored the Hospital's performance against the KPI regime under Schedule 18 of the project deed.³²⁶
- 3.41 Healthscope reported on the Hospital's performance against the KPIs on a monthly, quarterly and six-monthly basis.³²⁷ NSLHD monitored this performance on a monthly basis through the Operational Services Group. The group was established in accordance with the project deed and included both government and Healthscope representatives.³²⁸
- 3.42 When the Hospital first opened there were more than 100 KPIs. However, over time the KPIs were reviewed to identify which were the most important.³²⁹ More recently, the Hospital operated, reported on and was accountable against 82 KPIs under the project deed.³³⁰
- 3.43 In its submission, Healthscope has also noted that a 'KPI & Reporting Group' continued to work on a revised KPI regime to ensure that the KPIs were contemporary and in line with peer hospitals.³³¹

Healthscope incurred financial penalties where it did not meet abatable KPI requirements

- 3.44 The project deed also allowed for the use of up to 48 KPIs that could trigger financial penalties (abatable KPIs) if the Hospital's performance fell below specified targets or thresholds.³³²

³²³ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 18.

³²⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 101, cl 2.1.

³²⁵ Department of Finance, [Key performance indicator \(KPI\)](#), accessed 16 April 2026.

³²⁶ [Submission 201](#), p 8.

³²⁷ [Submission 236](#), pp 41-42.

³²⁸ [Submission 201](#), pp 8, 13; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), pp 118-120, cl 6.6.

³²⁹ Peter Thomas, Chief Operating Officer, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 29.

³³⁰ [Submission 201](#), p 8; [Submission 236](#), p 4.

³³¹ [Submission 236](#), p 10.

³³² Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 45-47.

- 3.45 This means that when the Hospital did not meet certain targets or thresholds for abatable KPIs, NSLHD could apply an abatement to reduce the Monthly Service Payment to Healthscope.³³³ The performance audit noted that, from July 2022 to June 2024, around \$1.5 million in abatements had been applied against the Monthly Service Payments to Healthscope.³³⁴
- 3.46 The project deed's KPI performance thresholds were adjusted over the life of the deed. For example, thresholds were adjusted in 2019, when Healthscope raised concerns that the abatement regime may impact clinical decision making and could result in unintended consequences for patient safety. NSLHD reported similar concerns about the high KPI 'failure points' and whether this would impede accurate reporting. Following advice from the Ministry of Health, NSLHD agreed to reduce the failure points for many KPI measures.³³⁵
- 3.47 Members of the Medical Advisory Committee, NBH (MAC) described the project deed's abatement process as 'financially punitive'. They highlighted that peer hospitals, who performed worse relative to the Northern Beaches Hospital, did not incur these financial penalties.³³⁶
- 3.48 The MAC also noted that under the project deed, there was also no financial reward for exceeding target rates for abatable KPIs. The MAC told the Committee that this meant there was no financial benefit for overperformance, for example, in the Hospital's 'elective surgery wait list performance'.³³⁷

Public information on the project deed's KPI and abatement schedule is limited

- 3.49 The Committee notes that the full list of KPIs, their corresponding performance thresholds, and Healthscope's performance against those thresholds is generally not publicly available.³³⁸ However, the performance audit increased transparency through its publication of the 40 KPIs subject to financial abatements in 2023-24.³³⁹

The Hospital's performance against the project deed's KPI regime was varied

- 3.50 The Hospital's performance against KPI performance thresholds appeared to vary across the term of the project deed. On some indicators, particularly those involving elective surgery, the Hospital performed well. However other performance thresholds relating to the emergency department were not always met by the Hospital, although it still generally outperformed its peer group.
- 3.51 The performance audit examined the Hospital's emergency department performance against the project deed KPIs. It found that although the Hospital

³³³ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 28.

³³⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 21, 48.

³³⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 20-21.

³³⁶ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, p 5.

³³⁷ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, p 5.

³³⁸ NSW Treasury, [Government Information \(Public Access\) Act 2009 Explanatory Table – Project Deed](#), accessed 17 March 2026.

³³⁹ Audit Office of New South Wales, [Northern Beaches Hospital](#), pp 45-47.

had not met its emergency department targets over the audit review period (July 2022 to June 2024) it generally outperformed its NSW public hospital peers.³⁴⁰

- 3.52 For example, during the audit review period the Hospital consistently did not meet the performance threshold for 'Emergency treatment performance, per cent of patients with total time in the emergency department less than four hours'. However, it also consistently outperformed its B1 peer hospitals over the same period.³⁴¹
- 3.53 Another KPI was 'Elective surgery access performance, per cent category three patients treated within clinically appropriate timeframes'. The Hospital exceeded the KPI performance threshold and its target threshold for the 2023 – 24 financial year. It also consistently outperformed its peer group of B1 hospitals.³⁴²

The performance audit raised concerns about the quality of data being collected from the Hospital

- 3.54 The Auditor-General's performance audit noted that the Hospital had not met its clinical coding accuracy requirements and that there was an unexplained pattern in the data for one of the abatable KPIs.
- 3.55 The project deed required the Hospital to produce clinical coding with 100 per cent accuracy. However, the performance audit found that the Hospital did not meet this requirement. It also found that the Hospital's clinical coding inaccuracies were slightly worse than those at other NSLHD facilities.³⁴³

What is clinical coding?

Clinical coding is the translation of health records into systematic classifications of diagnoses, procedures and resources. Standardised codes like these enable accurate documentation, billing and statistical analysis in healthcare settings.³⁴⁴

- 3.56 Clinical coding errors can result in NSLHD paying the Hospital for more complex hospital services than were actually provided. The performance audit estimated that the value of the Hospital's clinical coding inaccuracies was around \$3-4 million per year. If inaccuracies were identified, then Healthscope would adjust these in the next month's invoice for public hospital activity.³⁴⁵
- 3.57 The Committee asked Healthscope what measures it had taken to avoid clinical coding inaccuracies. In response, Healthscope noted that the project deed requires it to engage an external auditor each year to review the clinical coding of public services at the Hospital. Healthscope also advised that the last three

³⁴⁰ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 14.

³⁴¹ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 14.

³⁴² Audit Office of New South Wales, [Northern Beaches Hospital](#), p 17.

³⁴³ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 21.

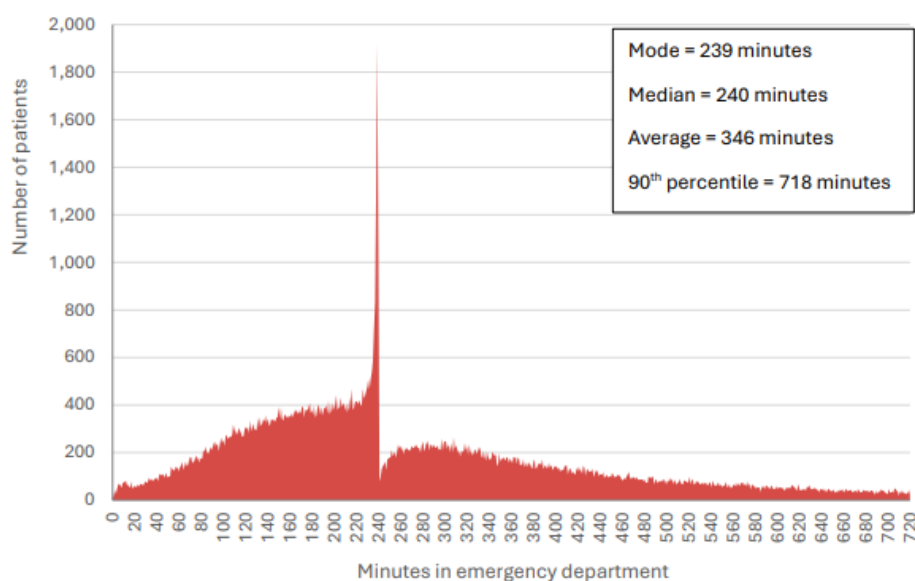
³⁴⁴ Australian Government Digital Health Agency, [Clinical Coding System](#), last updated 22 September 2025, accessed 12 March 2026.

³⁴⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 21.

external audits 'demonstrate Northern Beaches Hospital's performance being better than the industry benchmark, and improving year-on-year.'³⁴⁶

- 3.58 The performance audit also analysed the Hospital's performance against the abatable key performance indicators in the project deed and identified an anomaly in the total time patients spend in the emergency department. A sharp spike was identified just before the four-hour mark (Figure 2). The performance audit noted that Healthscope had never met the project deed's expectations for this measure. It also noted that NSLHD had applied financial abatements three times during the period reviewed by the performance audit.³⁴⁷

Figure 2: Distribution of patient time in the Northern Beaches Hospital emergency department, July 2022 to June 2024³⁴⁸



- 3.59 Peter Thomas, Chief Operating Officer, Northern Beaches Hospital noted that the anomaly was a result of the emergency department's electronic medical records system. A/Prof Thomas explained that the system does not automatically record the time a patient is discharged from the emergency department and instead, nursing staff must undertake a 'manual process' of 'going back through the record to check that timing'.³⁴⁹
- 3.60 A/Prof Thomas also advised that an independent audit of emergency department data at the Hospital confirmed that 'there was no deliberate attempt to manipulate the data':

When they looked at the data of each sample of the patient records that were taken, it demonstrated that, in fact, although there seems to be a big spike, the majority of those patients actually left before that spike was recorded – i.e., the majority of patients that they looked at left before the four-hour period. But because of the

³⁴⁶ Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 11.

³⁴⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 22.

³⁴⁸ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 22.

³⁴⁹ Peter Thomas, [Transcript of evidence](#), 17 October 2025, p 28.

manual nature, it was easier for the nursing staff to do the time stamp just before four hours.³⁵⁰

- 3.61 NSW Health confirmed that NSLHD's internal audit team had since conducted an independent review of the anomaly and did not find 'any practices of concern in the management of emergency patient departure times.'³⁵¹
- 3.62 NSW Health also advised that the automation of data entry between emergency data systems was a known area for improvement. It was also acknowledged that this was a manual data entry burden for emergency department staff.³⁵²
- 3.63 The Committee notes both Healthscope and NSW Health advised that the anomaly identified by the performance audit does not indicate 'practices of concern'.
- 3.64 However, the Committee is of the view that this issue demonstrates the risks of implementing information technology systems that are not fit for purpose, and which do not support adequate functionality to track key performance data.
- 3.65 Data collection and performance reporting were one of the few ways that NSLHD could monitor Healthscope's performance under the project deed. Therefore, inaccurate reporting in and of itself may have presented a risk to NSW Health, Healthscope, and hospital patients over the longer term. This further supports the Committee's recommendations in Chapter Two, relating to the importance of appropriate information systems.

Limitations and concerns about the KPI-based performance framework

- 3.66 Throughout this inquiry several stakeholders raised concerns about the project deed's KPI-based performance framework.
- 3.67 Healthscope raised concerns about the project deed's KPI regime. Tino La Spina, former Chief Executive Officer, Healthscope Group stated that the project deed imposed 'top percentile performance expectations' on the Hospital and that the deed held the Hospital 'to a higher standard than any other public hospital in New South Wales.'³⁵³
- 3.68 The Committee also notes that the performance audit observed:
- ... no NSW peer B1 public hospital would have met the Northern Beaches Hospital emergency treatment performance targets for admitted and non-admitted patients over the review period.³⁵⁴
- 3.69 The Committee discussed the project deed with Healthscope at the October 2025 public hearing. Kathryn Berry, Interim Chief Executive Officer, Northern Beaches

³⁵⁰ Peter Thomas, [Transcript of evidence](#), 17 October 2025, p 28.

³⁵¹ NSW Health, [Answers to supplementary questions](#), 19 December 2025, p 3.

³⁵² NSW Health, [Answers to supplementary questions](#), 19 December 2025, p 3.

³⁵³ Tino La Spina, former Chief Executive Officer, Healthscope Group, [Transcript of evidence](#), 17 October 2025, p 23.

³⁵⁴ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 14.

Hospital described the KPIs as 'blunt instruments' arguing that they should have been benchmarked to other hospitals within NSLHD or within NSW.³⁵⁵

- 3.70 Peter Thomas, Chief Operating Officer, Northern Beaches Hospital acknowledged the importance of KPIs, and described how they can define the parameters of safe and quality patient care, and operational and financial performance.³⁵⁶
- 3.71 However, A/Prof Thomas also advised that the significant number of KPIs presented a challenge, in that they were 'a lot to report on'.³⁵⁷ He also suggested that a review of the KPI regime could have helped the public private partnership work better.³⁵⁸
- 3.72 A/Prof Thomas told the Committee that contract mechanisms, such as KPIs, may not be the best way to ensure patients are at the centre of pathways of care. In some instances, it may be better to consider a patient's needs at a point in time, for example, by considering whether patients are 'in the right place' and can access the care they need.³⁵⁹
- 3.73 Healthscope also submitted that limitations within the project deed made it more difficult for the Hospital to meet certain KPI thresholds. For example, the project deed did not allow the Hospital to 'optimise patient flow' due to 'limits on the ability to cancel elective surgery to manage demand as occurs in other public hospitals', and 'delays in transfer of care into community services in particular'. Healthscope argued that these limits impacted the Hospital's ability to meet performance thresholds for 'Admitted Emergency Treatment Performance'.³⁶⁰
- 3.74 The Audit Office of NSW (AONSW) also raised issues with the KPI regime. In answers to supplementary questions, AONSW advised that the project deed's performance framework was overly focused on measuring activity, timeliness and output rather than clinical quality or patient outcomes. The Committee supports the AONSW conclusion that this has limited the opportunity to accurately assess the quality of health services and clinical outcomes provided under the project deed.³⁶¹
- 3.75 However, Anthony Schembri, Chief Executive, NSLHD noted that 'the KPI regime is very similar to the performance framework for all Local Health Districts in New South Wales, the difference being the abatement schedule'.³⁶²
- 3.76 The Committee acknowledges that the Hospital was subject to additional reporting requirements that were at times more rigorous than the expectations set by NSW Health for public hospitals. However, it is important to note that

³⁵⁵ Kathryn Berry, Interim Chief Executive Officer, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 33.

³⁵⁶ Peter Thomas, [Transcript of evidence](#), 17 October 2025, p 29.

³⁵⁷ Peter Thomas, [Transcript of evidence](#), 17 October 2025, p 29.

³⁵⁸ Peter Thomas, [Transcript of evidence](#), 17 October 2025, p 30.

³⁵⁹ Peter Thomas, [Transcript of evidence](#), 17 October 2025, p 30.

³⁶⁰ [Submission 236](#), p 18.

³⁶¹ Audit Office of New South Wales, [Answer to supplementary questions](#), 20 November 2025, p 1.

³⁶² Anthony Schembri, Chief Executive, Northern Sydney Local Health District, NSW Health, [Transcript of evidence](#), 17 October 2025, p 16.

Healthscope agreed to the KPIs and abatement regime at the time the project deed was signed, with the related risks clearly laid out in the original agreement. In doing so, Healthscope accepted the operational risks related to the Hospital's performance requirements.

The experience of healthcare workers, and disparities between public and private care

Finding 14

Quantitative performance measures alone were not a reliable indicator of the quality of healthcare at Northern Beaches Hospital.

- 3.77 As discussed in Chapter Two, structural issues within the project deed impacted the Hospital's ability to provide the highest quality of integrated healthcare. However, the Committee also received significant evidence that the healthcare staff at the Hospital remained committed to providing the highest quality of care possible despite these challenges. The Committee found that the lived experience of healthcare workers provided valuable context to the quantitative performance data discussed earlier in this chapter.
- 3.78 This section also discusses the different experiences between public and private patients. Stakeholders told the Committee that there are disparities in care experiences between public and private patients, and these have persisted since the 2019 Legislative Council inquiry.
- 3.79 The Committee notes again the limitations of this inquiry in examining clinical incidents, care outcomes and the often distressing impacts experienced at the Hospital by patients and their families. This section focuses on healthcare workers and distinctions between public and private care, though the Committee notes that concerns raised confidentially by patients and families were supported by evidence given by healthcare workers.

The professional experience of healthcare workers provides important context to numerical performance data

- 3.80 The Committee consistently heard of the dedication, professionalism and selflessness of healthcare workers at the Northern Beaches Hospital.³⁶³ For example Kathryn Berry, Interim Chief Executive Officer, Northern Beaches Hospital emphasised the efforts of healthcare staff at the Hospital:

I am really proud of the 2,500 committed people working at the Northern Beaches Hospital who provide essential healthcare services to the local community. Their professionalism, compassion and skill has been unwavering, even as they have faced the emotional toll of recent incidents and the weight of ongoing public scrutiny. They have been deeply impacted by these developments, and I want to sincerely

³⁶³ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 15; Kathryn Berry, [Transcript of evidence](#), 17 October 2025, p 24; Tatiana Lowe, Staff Specialist, Northern Beaches Hospital, and Australian Salaried Medical Officers Federation, [Transcript of evidence](#), 28 November 2025, p 2; [Submission 200](#), Australian Paramedics Association (NSW), p 2; [Submission 236](#), p 3.

thank them for their continued commitment to patient care and for their support of one another.³⁶⁴

- 3.81 Similarly, the Clinical Excellence Commission stated, 'NBH is staffed by a committed and professional workforce with a shared focus on delivering safe, high-quality care.'³⁶⁵
- 3.82 Over the course of this inquiry, the Committee heard from a range of healthcare workers at the Hospital. Much of this evidence was given confidentially. We are grateful to these healthcare workers for their insights, compassion for their patients, and deep commitment to delivering quality services for the Northern Beaches community in what has been a challenging situation.
- 3.83 The Committee heard that the standard of care provided at the Hospital is generally high.³⁶⁶ However, healthcare professionals often attributed this to staff going 'above and beyond',³⁶⁷ in spite of the Hospital's significant structural challenges.³⁶⁸
- 3.84 Patricia Hullah, Director Adult Medicine and Member of the Medical Advisory Committee, NBH described working at the Hospital as 'such a challenging time', explaining:
- ... we weren't set up to succeed for the patients of the Northern Beaches, but we're doctors and we're clinicians. Where we saw deficiencies, we worked to fill them.³⁶⁹
- 3.85 Tatiana Lowe, Staff Specialist, Northern Beaches Hospital and Australian Salaried Medical Officers Federation representative, shared similar professional experience about working within a system with 'persistent systemic failures in staffing, workload, bed capacity and critical resources'. Dr Lowe told the Committee that:
- ... doctors at Northern Beaches Hospital continue to deliver the highest standard of care, but we are doing so within a structure that routinely leaves us understaffed, overstretched and unsupported.³⁷⁰
- 3.86 Confidential submissions from healthcare workers followed similar themes, drawing attention to structural issues within the public private partnership such

³⁶⁴ Kathryn Berry, [Transcript of evidence](#), 17 October 2025, p 24.

³⁶⁵ Clinical Excellence Commission, [Independent Inquiry - Northern Beaches Hospital - Executive Summary and Recommendations](#), June 2025, p 3.

³⁶⁶ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 2; [Submission 215](#), Members of the Medical Advisory Committee, NBH, p 1; David Jollow, Director Women's Health, Member of the Medical Advisory Committee, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 9.

³⁶⁷ Lauren Hutchins, Assistant Secretary, Health Services Union, [Transcript of evidence](#), 28 November 2025, p 19.

³⁶⁸ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025 p 2; Lauren Hutchins, Assistant Secretary, Health Services Union, [Transcript of evidence](#), 28 November 2025, p 17; Patricia Hullah, Director Adult Medicine, Member of the Medical Advisory Committee, Northern Beaches Hospital, [Transcript of evidence](#), 17 October 2025, p 12; David Jollow, [Transcript of evidence](#), 17 October 2025, p 9.

³⁶⁹ Patricia Hullah, [Transcript of evidence](#), 17 October 2025, p 12.

³⁷⁰ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 2.

as understaffing, lack of integration with the broader public system, ineffective information technology systems, and equipment availability concerns

- 3.87 These insights may help to bridge the gap between the Hospital's generally positive performance compared to other public hospitals, as expressed in performance data, and the prevailing concerns expressed by inquiry participants about the success of the public private partnership. The Committee is of the view that, where high quality care was provided at the Hospital, this was achieved despite the public private partnership rather than because of it.

Concerns about disparities between public and private patient care at the Northern Beaches Hospital

- 3.88 The Committee also heard evidence from community members who were concerned about patients being treated differently at the Hospital depending on whether they were receiving public or private care.
- 3.89 The 2019 Portfolio Committee No. 2 – Health (PC2) inquiry previously identified 'very significant' concerns that the Hospital may have been operating under a 'two tier model, in which private patients receive preferential treatment and better access to some procedures.'³⁷¹ In its report, PC2 recommended, 'That NSW Health and Healthscope ensure that the same levels and standards of care are provided to public and private patients at the Northern Beaches Hospital.'³⁷²
- 3.90 This Committee is concerned that inquiry participants continued to express similar concerns about the different experiences of public and private patients in the Hospital.
- 3.91 Some community members expressed concerns that private and public patients were receiving different levels of care at the Hospital.³⁷³ For example, a Northern Beaches resident commented that:
- ... more experienced doctors are assigned to the private ward, which has higher nurse to patient ratios, better food and overall care. Patients in the private ward are treated with a dignity and respect not afforded to public patients.³⁷⁴
- 3.92 As noted in Chapter One, the Hospital could only provide approved public health services to public patients. The Committee heard that this had an impact on the community's ability to quickly and easily access healthcare from their local hospital. For example, Ms Zali Steggall OAM MP, Federal Member for Warringah, noted that residents had reported attending the Northern Beaches Hospital '... only to find they are unable to access the required services unless admitted as private patients, which requires private health insurance.'³⁷⁵

³⁷¹ PC2, [Operation and management of the Northern Beaches Hospital](#), p 72.

³⁷² PC2, [Operation and management of the Northern Beaches Hospital](#), p xii, recommendation 2.

³⁷³ [Submission 243](#), Ms Zali Steggall OAM MP, p 6; [Submission 29](#), Name suppressed, p 1; [Submission 241](#), Mr Martin Derby, p 1.

³⁷⁴ [Submission 29](#), p 1.

³⁷⁵ [Submission 243](#), p 6.

- 3.93 Another Northern Beaches Resident commented that because of the service restrictions they are '... forced into the private healthcare system if we get sick or injured.'³⁷⁶
- 3.94 Further to this some inquiry participants reported that the Hospital would not accept their private insurance. The Committee heard that certain health insurance funds were being refused at the Hospital, putting patients in a position where they could not effectively access private health services.³⁷⁷
- 3.95 After hearing the concerns of healthcare workers and the Northern Beaches community about the quality of care at the Hospital, the Committee finds that quantitative performance measures alone are not a reliable indicator of the quality of healthcare services provided at Northern Beaches Hospital. These metrics do not reflect the challenges faced by healthcare workers to achieve the reported results, and do not reflect the challenges faced by the community in accessing public health services under a strained and ineffective public private partnership.

³⁷⁶ [Submission 29](#), p 1.

³⁷⁷ [Submission 157](#), Ms Evely Nunan, p 1; [Submission 172](#), Name suppressed, p 1; [Submission 191](#), Name suppressed, p 1; [Submission 243](#), p 6.

Chapter Four – The future of Northern Beaches Hospital

Introduction

- 4.1 On 29 April 2026, the Premier, Treasurer and Minister for Health announced that the transition of Northern Beaches Hospital (the Hospital) into the public health system was finalised.³⁷⁸ The Committee notes the widespread support from inquiry participants for the public private partnership to end, and for the facility to be brought under public management.³⁷⁹
- 4.2 This is a significant moment for the Northern Beaches community and for the delivery of healthcare services in the region. The Committee would like to acknowledge the advocacy of Elouise and Danny Massa, who have campaigned tirelessly for the termination of the public private partnership at the Hospital since the tragic passing of their son, Joe.³⁸⁰
- 4.3 In concluding this report, the Committee is conscious that a lot of work is still needed to ensure that the new era of public operation at the Hospital is successful. This includes a range of activities that should be conducted in the immediate post-transition phase, so that the Northern Beaches community receives quality and safe health services into the future.
- 4.4 Ongoing consultation with hospital staff and unions will be needed to ensure that the challenges encountered under a private operation are addressed by NSW Health. This includes operational improvements to staffing, key IT systems, and risk management and escalation practices.
- 4.5 It is also critical that public trust is restored. A commitment to transparency and open communication will help inform the Northern Beaches community during these early stages of public operation. Keeping the community up-to-date on transition arrangements and informing them when operational issues have been addressed will help to restore public confidence in the Hospital. By making improvements to Hospital performance in areas where it has been deficient, and

³⁷⁸ The Premier, Treasurer and Minister for Health, [Northern Beaches Hospital officially transitions to public hands](#), media release; 29 April 2026, accessed 6 May 2026.

³⁷⁹ [Submission 16](#), Ms Olivia Vizzard, p 1; [Submission 20](#), Mr Robert Steers, p 2; [Submission 29](#), name suppressed, p 1; [Submission 58](#), Ms Janine Burdeu, p 1; [Submission 67](#), Mr Raj Nalliah, p 1; [Submission 75](#), Mr Gunter Wagner, p 1; [Submission 77](#), Ms Julie Johnstone, p 1; [Submission 84](#), Mrs Marie Woolnough, p 1; [Submission 86](#), Ms Janice Haviland, p 1; [Submission 88](#), Mrs Carolyn Edwards, p 1; [Submission 89](#), Mr Anders Lawaetz, p 1; [Submission 155](#), Dr Patrick Morrisey, p 1; [Submission 184](#), Save Mona Vale Hospital Community Action group, p 2; [Submission 213](#), Dr Bruce Cooper, p 3; [Submission 225](#), Mr Mark Horton, p 6; [Submission 231](#), Palm Beach & Whale Beach Association (PBWBA), p 3; [Submission 241](#), Mr Martin Derby, p 1; [Submission 242](#), Centre for International Corporate Tax Accountability and Research (CICTAR), p 28; [Submission 243](#), Ms Zali Steggall OAM MP, p 12; [Submission 246](#), Mrs Sara Camier, p 4.

³⁸⁰ E Massa, 'My son's death was not in vain: Joe's Law means lives will be saved', *Sydney Morning Herald*, 6 June 2025, accessed 22 May 2026; New South Wales, Legislative Assembly, [Parliamentary Debates](#), 6 May 2026 (Ryan Park, Minister for Health).

maintaining performance in areas of strength, the Northern Beaches community will know that they have a public hospital they can rely on when they need it.

- 4.6 New public private partnership arrangements for acute hospital services are now broadly prohibited following the passage of Joe's Law.³⁸¹ However, there are several lessons from the Northern Beaches Hospital public private partnership that should be considered by the NSW Government if these types of arrangements are considered for other essential public services. This includes addressing problematic financial assumptions, governance and technological integration issues and the consultation processes.
- 4.7 This chapter begins by outlining key events that took place during the course of the inquiry, including Healthscope entering receivership, the passage of Joe's Law and actions taken by the NSW Government to support the transition. Inquiry evidence that supported the transition is also highlighted, in addition to stakeholder concerns about how the transition should take place.

Northern Beaches Hospital is now under public operation

- 4.8 During the course of the inquiry, the NSW Government undertook several actions to transition the Hospital to public hands. Healthscope's financial situation also changed significantly during this period.
- 4.9 With \$1.6 billion in debt, Healthscope's parent entities entered receivership in May 2025. Healthscope's lenders appointed McGrathNicol Restructuring to seek new owners. This marked the end of Brookfield's ownership of Healthscope, bringing an end to six years of ownership by the private equity firm.³⁸²
- 4.10 In October 2025, shortly after the Committee's first public hearing, the NSW Government announced a \$190 million in-principle agreement with Healthscope's receivers to transition the entire Hospital to public ownership. Including both the private and public portions of the Hospital. It also announced that all current clinical and support staff would be offered jobs by NSW Health at the Hospital and that their staff entitlements would transfer from Healthscope to NSW Health.³⁸³
- 4.11 In December 2025, it was reported that the NSW Government had signed a contract for the Hospital's management to be handed to NSW Health on 29 April 2026. This move reportedly enabled NSW Health to make employment offers to

³⁸¹ [Health Services Amendment \(PPP Prohibition\) Act 2025](#); New South Wales, Legislative Assembly, [Parliamentary Debates](#), 27 March 2025 (Ryan Park).

³⁸² M Smith, '[Healthscope to transfer control to lenders as Brookfield bows out](#)', *Australian Financial Review*, 12 May 2025, accessed 23 May 2026; Healthscope, '[Receivers appointed to Healthscope parent companies](#)', media release, 26 May 2025, accessed 23 May 2026.

³⁸³ The Premier, Treasurer and Minister for Health, '[Agreement reached to transition Northern Beaches Hospital to public ownership](#)', media release, 21 October 2025, accessed 3 March 2026.

hospital staff.³⁸⁴ The arrangements for the transfer were subsequently confirmed by NSW Government announcements.³⁸⁵

- 4.12 In March 2026, the NSW Government confirmed that access to private health services would continue until 30 June 2027. The Minister for Health announced that the interim arrangement aims to ensure continuity of care and to minimise any large-scale or sudden changes to patient care as a result of the transition.³⁸⁶
- 4.13 The NSW Government also announced that a High Volume Planned Surgery Centre would be opened at the Hospital from 1 July 2026. The Government announcement also advised that patients from some of the busiest parts of NSW will be referred to the Planned Surgery Centre, which will focus on high-demand surgeries. The Planned Surgery Centre aims to reduce surgical wait lists in NSW.³⁸⁷
- 4.14 The Committee notes that the Auditor-General had recommended that the NSW Government and NSW Health consider the performance audit findings and the appropriateness of the Northern Beaches Hospital public private partnership as a delivery model.³⁸⁸ In transitioning the Hospital to public operation and ending the Northern Beaches public private partnership, it is clear that the NSW Government has concluded that the model was no longer appropriate.

Inquiry participants broadly supported the Hospital's transition

Finding 15

Stakeholders broadly supported or noted benefits to the Northern Beaches Hospital's transition to public operation.

Recommendation 9

The NSW Government should consult with staff and unions on the immediate steps necessary to improve the safety and working conditions of staff at Northern Beaches Hospital and to support the safety and quality of health care services.

- 4.15 As discussed above, a number of inquiry participants broadly supported the Hospital's transition to public operation. The Committee also heard from

³⁸⁴ N May, '[Northern Beaches hospital officially under public ownership](#)', *The Guardian*, 22 December 2025, accessed 3 March 2026.

³⁸⁵ The Premier, Treasurer and Minister for Health, [New Northern Beaches Hospital High Volume Surgery Hub to power through waitlist](#), media release; 28 January 2026, accessed 3 March 2026; Minister for Health, [Northern Beaches community to continue to have access to private services](#), media release, 2 March 2026, accessed 9 March 2026; New South Wales, Legislative Assembly, [Parliamentary Debates](#), 18 May 2026 (Ryan Park, Minister for Health, Minister for Regional Health, and Minister for the Illawarra and the South Coast).

³⁸⁶ Minister for Health, [Northern Beaches community to continue to have access to private services](#), accessed 9 March 2026.

³⁸⁷ The Premier, Treasurer and Minister for Health, [New Northern Beaches Hospital High Volume Surgery Hub to power through waitlist](#), accessed 3 March 2026

³⁸⁸ Audit Office of New South Wales, [Northern Beaches Hospital](#), performance audit, report number #404, 17 April 2025, p 4, recommendation 1.

stakeholders who described a number of benefits that would follow from the Hospital's management in the public system.

- 4.16 For example, Tatiana Lowe, Staff Specialist, Northern Beaches Hospital, and Australian Salaried Medical Officers Federation representative advised that ASMOF viewed the transition as a chance to 'reset' the workforce, governance and resourcing foundations of the Hospital.³⁸⁹
- 4.17 David Jollow, Director Women's Health, and Member of the Medical Advisory Committee, NBH noted that senior medical staff at the Hospital generally supported the Hospital's reintegration into the public system. He advised that this support was based on the potential benefits around:
- increased integration with electronic medical record systems, and
 - access to outpatient systems and local community services.³⁹⁰
- 4.18 Anthony Schembri, Chief Executive, Northern Sydney Local Health District (NSLHD) stated that the Local Health District 'very warmly' welcomed the Hospital's return to public hands. He also stated that the return created opportunities for improvements to be made across:
- workforce profiles and staffing
 - digital health
 - ICT systems and the introduction of Single Digital Patient Record
 - access to research opportunities and clinical trials
 - clinical governance oversight.³⁹¹
- 4.19 In October 2025, Tino La Spina, former Chief Executive Officer, Healthscope Group also advised that Healthscope was working with the NSW Government 'in good faith' on an early handback. Mr La Spina stated that Healthscope was seeking a resolution that is in the best interests of the Hospital's patients and doctors and the Northern Beaches community.³⁹²

Stakeholders highlighted some risks in the transition process and areas that still need improvement

- 4.20 However, the Committee notes that support for the Hospital's transition should also be considered alongside concerns that stakeholders raised regarding the impact of the transition.³⁹³

³⁸⁹ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 2.

³⁹⁰ David Jollow, [Transcript of evidence](#), 17 October 2025, p 9.

³⁹¹ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, pp 17-18.

³⁹² Tino La Spina, Chief Executive Officer, Healthscope Group, [Transcript of evidence](#), 17 October 2025, p 24.

³⁹³ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 2; Lauren Hutchins, [Transcript of evidence](#), 28 November 2025, p 18; David Jollow, [Transcript of evidence](#), 17 October 2025, pp 9-10.

- 4.21 Tatiana Lowe, Staff Specialist, Northern Beaches Hospital, and Australian Salaried Medical Officers Federation representative advised that the transition alone would not resolve long documented structural and workforce issues at the Hospital. Dr Lowe explained that many of these issues are systemic within the broader health system.³⁹⁴
- 4.22 The Committee also notes that challenges around Junior Medical Officer recruitment and retention are caused, in part, by factors impacting the broader public health system (as discussed in Chapter Two). These challenges may persist, however the Committee also notes that some barriers could be reduced by the transition. This includes the differences in employment conditions previously experienced by health workers at the Hospital, and any negative perceptions about working at the Hospital that may have been caused by the public private partnership.
- 4.23 Lauren Hutchins, Assistant Secretary, Health Services Union (HSU) stated that the HSU had concerns about a 'half-return', whereby part of the Hospital remaining in private ownership. Ms Hutchins commented:
- The only way we can ensure patients and staff are safe is to ensure that [the Hospital] is run by NSW Health.³⁹⁵
- 4.24 The Committee notes the entire hospital has since transitioned back to public operation.³⁹⁶
- 4.25 In addition, David Jollow, Director Women's Health, and Member of the Medical Advisory Committee, NBH highlighted that positive things have come out of the Northern Beaches Hospital and raised concerns about a risk of going 'backwards' in terms of the 'high-quality care' being provided to patients. He noted that, historically this standard of care wasn't available at the Manly and Mona Vale Hospitals.³⁹⁷
- 4.26 Dr Jollow also noted that the Medical Advisory Committee believed the transition should consider how the community will be able to access to both high-quality private services and high-quality public services. He raised concerns that the transition could result in a decrease in private services, including elective surgery.³⁹⁸
- 4.27 Dr Jollow explained that if the Hospital is unable to provide elective surgical work privately, then patients seeking this surgery may have to join public waiting list. He further explained that this could 'dramatically' increase the public waiting list.³⁹⁹ The Hospital provided around 20,000 private operations and 11,000-

³⁹⁴ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, p 2.

³⁹⁵ Lauren Hutchins, [Transcript of evidence](#), 28 November 2025, p 18.

³⁹⁶ The Premier, Treasurer and Minister for Health, [Northern Beaches Hospital officially transitions to public hands](#), media release, 29 April 2026, accessed 6 May 2026.

³⁹⁷ David Jollow, [Transcript of evidence](#), 17 October 2025, p 9.

³⁹⁸ David Jollow, [Transcript of evidence](#), 17 October 2025, p 9.

³⁹⁹ David Jollow, [Transcript of evidence](#), 17 October 2025, p 10.

15,000 public operations each year. Without a private elective surgery option, he estimated this could increase the number of public cases to 30,000.⁴⁰⁰

4.28 Dr Jollow also highlighted a risk that specialists may leave the Hospital to work at other hospitals in Sydney if they cannot provide their services locally. If this happens, patients in the Northern Beaches would need to be transported to these other hospitals in Sydney for specialist treatment.⁴⁰¹

4.29 The Committee also heard from unions about what could or should happen as part of the transition.⁴⁰² For example, Dr Lowe of the Australian Salaried Medical Officers Federation noted that the transition provided an opportunity to take corrective steps, to prioritise patient care, be accountable to the community and consider specific improvements in conditions for workers.⁴⁰³

4.30 Further to this, Unions NSW recommended that the NSW Government should consult with unions on the immediate steps necessary to improve the safety and working conditions of staff at the Hospital. It advised this should include:

- increasing staffing to safe levels
- implementing safe rostering
- investing in training and workforce development
- improving risk management and incident prevention processes and systems
- ensuring adequate funding and resourcing.⁴⁰⁴

4.31 The Committee agrees that consultation with unions and healthcare staff should be a priority as part of the transition process, in particular the immediate post-transition phase. This consultation will support the NSW Government to take the steps necessary to improve the safety and working conditions of staff at the Hospital. Listening to staff and supporting them in this manner will also support the delivery of safe and quality health services for the community, in a more sustainable manner.

Rebuilding public trust is an important part of the transition process

Finding 16

The Northern Beaches Hospital's reputation has negatively impacted patients' willingness to receive health services at the Hospital.

Recommendation 10

That the Northern Sydney Local Health District should keep the Northern Beaches community informed of transition arrangements and updated on the

⁴⁰⁰ David Jollow, [Transcript of evidence](#), 17 October 2025, p 10.

⁴⁰¹ David Jollow, [Transcript of evidence](#), 17 October 2025, pp 9-10.

⁴⁰² [Submission 247](#), Unions NSW, pp 4-5; Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, pp 5-6.

⁴⁰³ Tatiana Lowe, [Transcript of evidence](#), 28 November 2025, pp 5-6.

⁴⁰⁴ [Submission 247](#), pp 4-5.

resolution of key Hospital issues in order to re-build public trust in the Hospital. These updates should form part of a post transition plan to ensure improvements are sustainably embedded at the Hospital

- 4.32 The Committee heard that Northern Beaches Hospital has developed a negative reputation among both healthcare staff and the wider community, which has also made patients less willing to receive health services there.⁴⁰⁵
- 4.33 Mr Coda Danu-Asmara, Senior Industrial Officer, Australian Paramedics Association (NSW) acknowledged that the Hospital's reputation 'has been irrevocably tainted among both medical staff and also the patient population' and that this has led to worse patient care.⁴⁰⁶ In their submission the Australian Paramedics Association also said that the Hospital 'has a reputation in the healthcare community for poor healthcare outcomes and administrative mismanagement.'⁴⁰⁷
- 4.34 Mr Danu-Asmara advised that there have been many occasions of patients asking paramedics to drive them to a different hospital due to fears for their safety at the Northern Beaches Hospital. Mr Danu-Asmara noted that paramedics usually go to the closest hospital that is the 'most free' and that these requests can cause patient backlogs at other hospitals.⁴⁰⁸
- 4.35 However, Mr Danu-Asmara emphasised that despite the Hospital's troubling reputation, paramedics generally thought positively of the Hospital and its emergency department practices. Mr Danu-Asmara described how paramedics had observed that the Hospital and its practices were 'quite careful, safe and quick'.⁴⁰⁹
- 4.36 Mr Danu-Asmara suggested that the transition to public operation may help change people's perception of the Hospital, and that they may then be more willing to go to the Hospital for treatment. In turn, this could reduce the number of 'needless transfers back and forth' between local hospitals, and potentially save lives.⁴¹⁰
- 4.37 The Committee agrees that the transition to public operation is an opportunity for NSLHD to re-build community trust in the Hospital. As part of the transition, the Committee recommends that the Local Health District keep the Northern Beaches community informed of progress with the transition, and provide updates on the resolution of key Hospital issues. By making improvements to the Hospital and communicating them transparently, NSLHD should aim to restore public trust in the Hospital. These updates should form part of a post-transition plan to ensure improvements are sustainably embedded at the Hospital.

⁴⁰⁵ Coda Danu-Asmara, [Transcript of evidence](#), 28 November, pp 7, 9, 10-11.

⁴⁰⁶ Coda Danu-Asmara, [Transcript of evidence](#), 28 November, p 7.

⁴⁰⁷ [Submission 200](#), Australian Paramedics Association (NSW), p 3.

⁴⁰⁸ Coda Danu-Asmara, [Transcript of evidence](#), 28 November, pp 7-8.

⁴⁰⁹ Coda Danu-Asmara, [Transcript of evidence](#), 28 November, p 7.

⁴¹⁰ Coda Danu-Asmara, [Transcript of evidence](#), 28 November, pp 10-11.

New public private partnership arrangements for acute hospital services are now prohibited under legislation

Finding 17

New public private partnership arrangements that provide for the construction of an acute hospital or complex, and the provision of acute hospital services at the constructed hospital, are now prohibited, subject to limited statutory exceptions to avoid unintended consequences.

- 4.38 On 27 March 2025, the NSW Government announced that it would pass legislation to prevent governments from entering into future public private partnerships (PPPs) to build or operate acute public hospitals.⁴¹¹
- 4.39 The Health Services Amendment (PPP Prohibition) Bill 2025 was introduced on the same day. The Bill then passed both Houses of Parliament on 5 June 2025 and commenced upon assent on 12 June 2025.⁴¹² The Committee acknowledges that this Bill has been referred to as 'Joe's Law' in honour of the memory of Joe Massa, who tragically died after visiting the Hospital in September 2024.⁴¹³
- 4.40 The Bill amended the *Health Services Act 1997* to prohibit new public private partnership arrangements that provide for the construction of an acute hospital or complex, and the provision of acute hospital services at the constructed hospital.⁴¹⁴ Existing public private partnership arrangements were not affected.⁴¹⁵
- 4.41 It is important to note that the amendments also allow for regulations to exclude a public private partnership arrangement from the ban.⁴¹⁶
- 4.42 In his second reading speech, the Hon. Ryan Park, Minister for Health, explained that the regulation-making power would allow 'appropriate arrangements' to be made if unintended consequences arise from the ban. The Minister also noted that regulations are subject to a disallowance by either House of Parliament.⁴¹⁷

⁴¹¹ The Premier and Minister for Health, [NSW to ban acute hospitals from public private partnerships](#), media release, 27 March 2025, accessed 11 March 2026.

⁴¹² [Health Services Amendment \(PPP Prohibition\) Bill 2025](#).

⁴¹³ The Premier and Minister for Health, [NSW to ban acute hospitals from public private partnerships](#), accessed 11 March 2026; New South Wales, Legislative Assembly, [Parliamentary Debates](#), 27 March 2025 (Ryan Park).

⁴¹⁴ [Health Services Act 1997](#), s 133E.

⁴¹⁵ [Health Services Act 1997](#), s 133E(5).

⁴¹⁶ [Health Services Act 1997](#), s 133E(4).

⁴¹⁷ New South Wales, Legislative Assembly, [Parliamentary Debates](#), 27 March 2025 (Ryan Park, Minister for Health, Minister for Regional health, and Minister for the Illawarra and the South Coast).

How does Parliament disallow a regulation?

Regulations usually commence once they are published on the NSW Legislation website. However, Members of either House of Parliament may give notice of a motion to disallow either all or part of a regulation within 15 sitting days of the regulation being tabled in Parliament. If a disallowance motion is successful then the regulation will no longer have effect.⁴¹⁸

- 4.43 The Committee notes the amendments to the *Health Services Act 1997* shows progress in the implementation of recommendation 22 of the Portfolio Committee No. 2 – Health that the NSW Government not enter into public private partnerships for future public hospitals.⁴¹⁹

There are important lessons that should be applied when considering new public private partnerships outside of acute hospital services

Recommendation 11

For any future public private partnerships, the NSW Government should:

- ensure financial assumptions are appropriately understood and stress tested to determine long-term financial viability, and that funding arrangements are sufficiently flexible to accommodate changing patterns of demand, patient complexity and workforce pressures over the life of the contract
- consider how the distribution of operational risk may impact government agencies' ability to maintain and enforce best practices
- ensure that public sector agencies retain sufficient operational visibility, oversight powers and practical intervention mechanisms to respond rapidly to emerging safety or quality risks
- ensure that contracts contain clear public-interest override mechanisms where safety, service continuity or workforce sustainability are at risk
- ensure that staffing frameworks, workforce conditions and governance arrangements align closely with broader public system standards
- ensure that governance arrangements promote integration with surrounding public sector networks rather than institutional isolation and require that IT systems appropriately integrate with existing public sector systems
- incorporate a range of quantitative and qualitative performance measures, including input from staff and impacted communities, and

⁴¹⁸ [Interpretation Act 1987](#), s 41.

⁴¹⁹ Legislative Council Portfolio Committee No. 2 – Health, [Operation and management of the Northern Beaches Hospital](#), report 52, Parliament of New South Wales, February 2020, p xiv.

- **include robust and ongoing consultation processes with staff and key stakeholders.**

- 4.44 While future public private partnerships have been broadly prohibited by the recent legislative amendments, the Committee notes that these prohibitions only relate to acute hospital services. However, the structural issues noted in this inquiry present important lessons that should be considered by the NSW Government. Learning from these lessons should be an essential step in any future public private partnership arrangements for critical public services.
- 4.45 The Committee acknowledges that the Auditor-General made a similar recommendation in regard to what NSW Health should consider for health-related public private partnerships.⁴²⁰ However, the Committee is of the view that the lessons should be considered as part of planning for any future public private partnership.
- 4.46 The Committee notes that not all public private partnership models are the same or that they all carry the same level of risk. For example partnerships involving construction and maintenance of infrastructure may present different risks to the direct delivery of acute public health services. Similarly, not-for-profit or affiliated health models may involve different governance, financial incentives and accountability structures to for-profit operator models. Future governments should carefully assess the degree of alignment between public interest objectives and the commercial objectives of operators, particularly where essential public services and the safety and health of residents are concerned.

Financial assumptions and long-term financial viability

- 4.47 The project deed's overarching financial assumption was that a private sector operator could achieve sufficient efficiencies in order to provide public health services at discount.⁴²¹ This proved to be unsustainable. The failure of this assumption became apparent with Healthscope's initial 2023 request to hand back the public portion of the Hospital 14 years early.⁴²²
- 4.48 As discussed in Chapter One (paras 1.56-1.80), the actual demand for public health services outpaced the activity volumes estimated in the Annual Notices. This meant that Healthscope provided some public health services without compensation, in addition to providing other public health services at a discount to the State Price (paras 1.45-1.49). Healthscope also confirmed that profits from private health services did not fully offset losses incurred by Healthscope to deliver the public health services.⁴²³
- 4.49 The unsustainable financial arrangements appear to have been compounded by Healthscope's wider financial challenges, which in turn contributed to the

⁴²⁰ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 4, recommendation 3.

⁴²¹ Bola Oyetunji, Auditor-General, Audit Office of New South Wales, [Transcript of evidence](#), 17 October 2025, pp 4-5; Audit Office of New South Wales, [Northern Beaches Hospital](#), p 7.

⁴²² Audit Office of New South Wales, [Northern Beaches Hospital](#), p 2.

⁴²³ Healthscope, [Answers to supplementary questions](#), 4 December 2025, p 8.

eventual failure of the partnership and the Hospital's transition to public operation (paras 1.98-1.113).

- 4.50 The Committee is of the view that the financial assumptions, and contractual arrangements that would have supported financial sustainability of the project, were not adequately tested or understood by both parties when the project deed was established. For these reasons the Committee recommends that the NSW Government ensure financial assumptions are appropriately understood and stress tested to determine the long-term financial viability of any future public-private service delivery arrangements. The Committee also recommends that funding arrangements are sufficiently flexible to accommodate changing patterns of demand, patient complexity and workforce pressures over the life of the contract.

Ability to appropriate oversight arrangements and insist on operational best practices

- 4.51 The Committee notes that the project deed's oversight and governance mechanisms did not adequately support the resolution of key issues at the Hospital. This is despite several issues being identified as early as the 2019 Legislative Council inquiry.
- 4.52 As discussed in Chapter Two, the project deed allocated the majority of operational risks to Healthscope. These included risks related to the Hospital staffing and the Hospital's technology (para 2.8).
- 4.53 The Committee notes that the 2019 inquiry identified early issues with the Hospital's electronic medical record system that was selected by Healthscope. The Committee heard from Northern Sydney Local Health District (NSLHD) that, while it had an oversight role, NSLHD was unable to enact improvements recommended by the 2019 parliamentary inquiry. This was because NSLHD was not the Hospital operator (paras 2.45-2.47, 2.54).
- 4.54 The Committee notes that despite the early identification of operational issues related to the Hospital's information technology systems, the issues remained unresolved for several years (paras 2.45-2.47). The Committee also heard that while the project deed included enforcement mechanisms, these mechanisms had a 'very high threshold' for use'.⁴²⁴ A framework of governance committees was established for NSLHD and Healthscope to discuss operational challenges, however these informal mechanisms appear to have been ineffective for resolving such challenges (paras 2.22 – 2.30).
- 4.55 The Committee also heard that Healthscope was not required to implement some NSW Health policies. For example, although the NSW Government had started to implement the Safe Staffing Levels initiative, under the project deed Healthscope was not required to implement the new initiative (paras 2.91-2.92). The performance audit noted that this could create a risk that patients at the Hospital may experience a lower level of services compared to other public hospitals.⁴²⁵

⁴²⁴ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, pp 17-18.

⁴²⁵ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 3.

- 4.56 NSLHD told the Committee that it could and did encourage Healthscope to look at safe staffing in the Hospital's emergency department, but that it was ultimately Healthscope's decision.⁴²⁶
- 4.57 The Committee also notes that a number of operational issues have put pressure on the Hospital's staff (paras 2.83-2.109) and this may have had an impact on safety and quality (paras 2.110-2.113).
- 4.58 For these reasons, for any future public private partnership the NSW Government should:
- consider how the distribution of operational risks may impact public agencies' ability to appropriately oversight the private delivery of public services
 - ensure that public sector agencies retain sufficient operational visibility, oversight powers and practical intervention mechanisms to respond rapidly to emerging safety or quality risks
 - ensure that contracts contain clear public-interest override mechanisms where safety, service continuity or workforce sustainability are at risk
 - ensure that staffing frameworks, workforce conditions and governance arrangements align closely with broader public system standards.

There needs to be effective integration between a private partner's operations and the wider public network of services

- 4.59 The performance audit concluded that the public private partnership did not effectively deliver the 'best quality integrated health services and clinical outcomes' for the Northern Beaches community and the state of NSW. This was a key objective of the project deed.⁴²⁷
- 4.60 Tino La Spina, former Chief Executive Officer, Healthscope Group acknowledged:
- Frankly, with the better integration, it could put less pressure on our people.⁴²⁸
- 4.61 Poor integration was particularly noted in relation to the Hospital's different electronic medical record system and the impact it had on day-to-day hospital operations (paras 2.43-2.66).
- 4.62 The Committee also acknowledges that integration challenges were experienced across a range of employment arrangements which impacted staff recruitment and retention. This included:
- no recognition of continuous service when healthcare workers moved between the Hospital and the wider NSW public health service, and

⁴²⁶ Anthony Schembri, [Transcript of evidence](#), 17 October 2025, p 17.

⁴²⁷ Audit Office of New South Wales, [Northern Beaches Hospital](#), p 1.

⁴²⁸ Tino La Spina, [Transcript of evidence](#), 17 October 2025, p 29.

- differences in employment awards and conditions (paras 2.122-2.124).

4.63 The Committee recommends that, as part of any new public private partnership, the NSW Government ensure that governance arrangements promote integration with surrounding public sector networks rather than institutional isolation and require that information technology systems appropriately integrate with existing public sector systems.

Qualitative and quantitative performance measures need to present a realistic picture of service delivery

4.64 The Committee heard a number of concerns around the design and implementation of the project deed's key performance indicator (KPI) regime. This includes:

- that the KPIs were overly focused on measuring activity, timeliness and output rather than clinical quality or patient outcomes
- that there were practical challenges in reporting against a large number of KPIs
- that at least one indicator required manual data entry which impacted the data accuracy
- that the abatement process for KPI underperformance was financially punitive without a complimentary financial benefit process for KPI overperformance
- whether the KPIs were realistic and benchmarked to peer hospitals (paras 3.66-3.76).⁴²⁹

4.65 Noting these concerns, the Committee recommends that any future public private partnerships incorporate a range of quantitative and qualitative performance measures to ensure successful ongoing performance monitoring of new public private partnerships. The NSW Government should develop realistic and appropriate KPIs that present an accurate picture of service delivery performance.

Robust community and workforce consultation

4.66 The Committee heard that one of the unique challenges faced by the Hospital related to community support. Members of the Medical Advisory Committee, NBH (MAC) told the Committee that a small portion of the community was against the Hospital due to:

- the public private partnership concept
- the Hospital's location in Frenchs Forest rather than Mona Vale or Manly, and

⁴²⁹ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, p 5.

- the closing of Mona Vale and Manly hospitals.⁴³⁰
- 4.67 Patricia Hullah, Director Adult Medicine and Member of the Medical Advisory Committee, NBH also noted that the politics of New South Wales had made it 'very challenging' and as a result did not advocate for further privately operated emergency departments in future.⁴³¹
- 4.68 The MAC also raised concerns about the impact that 'political weaponisation' had on the Hospital's workforce. They noted that no other hospital had been held to the same high standard as the Northern Beaches Hospital or as 'furiously attacked' in forums like the Parliament, mainstream media and social media. The MAC advised, that among other things, future PPPs would require a 'politically neutral environment' in order to be successful.⁴³²
- 4.69 The Committee also heard about the importance of communication and engagement in supporting the success of a public private partnership. Stakeholders described communication and engagement in two main themes: consultation with healthcare staff to get the planning and design right and engaging with the community to ensure there is ample support.
- 4.70 Zali Steggall OAM MP, Federal Member for Warringah noted:
- From its inception, senior clinicians raised concerns about the lack of consultation with medical staff in the hospital's planning and design, particularly regarding the implications of the public-private partnership model.⁴³³
- 4.71 Ms Steggall further noted that 'long serving medical staff' also reiterated their concerns during a recent community forum.⁴³⁴
- 4.72 At the public hearing, David Jollow, Director Women's Health, and Member of the Medical Advisory Committee, NBH also spoke about issues with the Hospital that were identified by medical staff early on. Dr Jollow noted that 'unfortunately, some of our concerns weren't listened to.'⁴³⁵
- 4.73 The Committee acknowledges the concerns about the level of community support, challenging political environment and adequacy of consultation processes. The Committee recommends that the NSW Government ensure future public private partnerships include robust and ongoing consultation processes with staff and key stakeholders. These processes should be used to inform quantitative and qualitative performance measures in order to support the success of any arrangement.

⁴³⁰ Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, pp 5-6.

⁴³¹ Patricia Hullah, [Transcript of evidence](#), 17 October 2025, p 14.

⁴³² Members of the Medical Advisory Committee, NBH, [Answers to supplementary questions](#), 21 November 2025, p 6.

⁴³³ [Submission 243](#), p 5.

⁴³⁴ [Submission 243](#), p 5.

⁴³⁵ David Jollow, [Transcript of evidence](#), 17 October 2025, p 13.

Appendix One – Terms of reference

1. That the Public Accounts Committee examine, inquire into and report on the audited financial statements for the year ended 30 June 2024 and associated annual reporting information of the Northern Sydney Local Health District and the NSW Ministry of Health, as they specifically relate to the public health services funded by Northern Sydney Local Health District and delivered at Northern Beaches Hospital.
2. That as part of this inquiry the Committee inquire into and report on the safety and quality of health services provided at Northern Beaches Hospital from the period 30 October 2018 to 13 March 2025, and in particular:
 - a. Services provided by the Emergency Department, including to vulnerable patients and children
 - b. The number, type, and severity of reportable incidents and other incidents for which a Serious Adverse Event Review (SAER) within the meaning of the Private Health Facilities Act 2007 (NSW) and Regulation, was undertaken (each, a Review Incident)
 - c. The response of Northern Beaches Hospital to Review Incidents, including the extent to which findings and recommendations of any investigations into those incidents were accepted or implemented
 - d. How Northern Beaches Hospital implements and supports patient and carer escalation programs, including but not limited to the Recognise, Engage, Act, Call, Help is on its way (REACH) program
 - e. The adequacy of any other systems, processes and governance arrangements in place at Northern Beaches Hospital aimed at preventing Review Incidents
 - f. Clinical staffing at Northern Beaches Hospital including the adequacy, skill mix and capability of staffing levels, and their alignment to relevant staffing and capability standards.
3. That the Committee consider the extent to which relevant findings and recommendations of the 2019 Parliamentary inquiry into the operation and management of the Northern Beaches Hospital have been implemented, having regard to the Government response to that inquiry.
4. That the Committee take into account relevant findings and recommendations that may be released by the ongoing:
 - a. Special Commission of Inquiry into Healthcare Funding
 - b. Northern Beaches Hospital audit by the Auditor-General for NSW
5. That the Committee have regard to, and conduct its inquiry in a manner that does not prejudice:

- a. any inquest undertaken by the State Coroner in relation to the death of Master Joe Massa at Northern Beaches Hospital in September 2024
 - b. any internal investigation into the death of Master Joe Massa at Northern Beaches Hospital in September 2024
6. That the Committee have regard to any other related matter.

Appendix Two – Conduct of inquiry

The inquiry into the safety and quality of health services provided by Northern Beaches Hospital was referred by Minister for Health, The Hon Ryan Park MP to the Public Accounts Committee on 10 March 2025. The Committee adopted the inquiry on 12 March 2025. The terms of reference for the inquiry is at Appendix One.

The Committee issued a media release on 27 March 2025 announcing the inquiry and calling for submissions. The Committee also contacted key stakeholders inviting them to make a submission to the inquiry. Submissions closed on 20 May 2025.

A total of 258 submissions were received from health professionals, government agencies, organisations, community members and general public. A list of submissions is at Appendix Four and on the inquiry [webpage](#).

On Monday 27 October 2025, the Committee visited the Northern Beaches Hospital. Details of this site visit can be found in Appendix Three.

The Committee held two public hearings at Parliament House on 17 October 2025 and 28 November 2025. The Committee heard from a range of witnesses including medical professionals, health services, unions, agencies and organisations.

Witnesses appeared in person and via videoconference. A list of witnesses who appeared at the public hearings is at Appendix Five. The transcripts of evidence taken at the hearings are available on the inquiry [webpage](#).

Appendix Three – Site visit

On 27 October 2025, members of the Public Accounts Committee conducted a site visit to the Northern Beaches Hospital in Frenchs Forest, to support its inquiry into the safety and quality of health services provided by the Hospital.

The members received a tour of the Hospital's emergency department, and met with staff involved in the Department's operation, including the team on shift on the day. Members also met with several heads of department, members of the Hospital's executive leadership team and members of the Medical Advisory Committee. We are particularly grateful to Ms Kathryn Berry, Interim CEO, Associate Professor Peter Thomas, Chief Operating Officer, and Ms Fiona Alsop, Director of Nursing, for hosting the Committee.

Members heard about the operation of the Hospital, including how various IT systems are used in the Emergency Department on a day-to-day basis, the work of medical practitioners across the public and private portions of the Hospital, and staff wellbeing. Members learned more about the Hospital's strengths in providing care to the Northern Beaches community, the challenges it has experienced under the public private partnership, and opportunities for the Hospital's future.

The site visit enabled the Committee to better understand the physical layout of the Hospital, including the emergency department, and how the public and private portions of the Hospital work in practice.

The Committee would like to thank all NSW Health and Healthscope staff for their time, hospitality and assistance in supporting the Committee's visit. The Committee is grateful to them for sharing their knowledge and experiences, which have helped inform the Committee's deliberations during the inquiry.

Appendix Four – Submissions

No.	Author
1	Confidential
2	Confidential
3	Confidential
4	Mr Alastair Turnbull
5	Confidential
6	Confidential
7	Mr David Owen
8	Confidential
9	Confidential
10	Dr Tahnee Nicholson
11	Confidential
12	Confidential
13	Confidential
14	Confidential
15	Confidential
16	Ms Olivia Vizzard
17	Confidential
18	Confidential
19	Confidential
20	Mr Robert Steers
21	Robyn Townsend
22	Confidential
23	Mrs Ngaire Childs
24	Confidential
25	Confidential
26	Confidential
27	Confidential
28	Confidential
29	Name suppressed
30	Confidential
31	Confidential
32	Confidential

No.	Author
33	Confidential
34	Confidential
35	Caitlin Hook
36	Confidential
37	Confidential
38	Confidential
39	Mrs Amanda Rae Morey
40	Confidential
41	Confidential
42	Confidential
43	Confidential
44	Confidential
45	Ms Patricia Powell
46	Confidential
47	Confidential
48	Confidential
49	Confidential
50	Confidential
51	Confidential
51a	Confidential
52	Confidential
53	Confidential
54	Confidential
55	Confidential
56	Confidential
57	Confidential
58	Ms Janine Burdeu
59	Confidential
60	Confidential
61	Mrs Sandra Coleman
62	Mrs Cathlin Barrett
63	Mr Richard Quilty
64	Confidential
65	Mel White
66	Mrs Judith Rostron

No.	Author
67	Mr Raj Nalliah
68	Confidential
69	Confidential
70	Confidential
71	Mr David James OAM
72	Ms Annemie Verbeke
73	Confidential
74	Confidential
75	Mr Gunter Wagner
76	Confidential
77	Ms Julie Johnstone
78	Mrs Jacqueline Bishop
79	Confidential
80	Confidential
81	Confidential
82	Robert Bellini
83	Confidential
84	Mrs Marie Woolnough
85	Confidential
86	Ms Janice Haviland
87	Confidential
88	Mrs Carolyn Edwards
89	Mr Anders Lawaetz
90	Confidential
91	Confidential
92	Mr Gavin Forsyth
93	Confidential
94	Mr David Wear
95	Confidential
96	Confidential
97	Mrs Tina McConnell
98	Confidential
99	Confidential
100	Confidential
101	Confidential

No.	Author
102	Confidential
103	Kylie Murray
104	Mrs Marian Gill
105	Mrs Pam Rowlinson
106	Mrs Carolyn Ann Lamotte
107	Confidential
108	Ms Lynne Rae
109	Confidential
110	Confidential
111	Confidential
112	Confidential
113	Confidential
114	Confidential
115	Confidential
116	Confidential
117	Mrs Elizabeth Robertson
118	Confidential
119	Confidential
120	Confidential
121	Confidential
122	Confidential
123	Audit Office of New South Wales
124	Confidential
125	Confidential
126	Confidential
127	Confidential
128	Confidential
129	Confidential
130	Mr Michael Deuxberry
131	Confidential
132	Confidential
133	Mrs Emma Read
134	Confidential
135	Confidential
136	Confidential

No.	Author
137	Confidential
138	Confidential
139	Confidential
140	Confidential
141	Confidential
142	Mr Nikolai Zaitzieff
143	Ms Fran Colley
144	Confidential
145	Confidential
146	Confidential
147	Confidential
148	Confidential
149	Confidential
150	Confidential
151	Confidential
152	Mr Robert Arbon
153	Confidential
154	Confidential
155	Dr Patrick Morrissey
156	Confidential
157	Ms Evely Nunan
158	Name suppressed
159	Mr Peter Roberts
160	Confidential
161	Mr Terence Winslade
162	Confidential
163	Mr Jamie Harrison
164	Confidential
165	Confidential
166	Confidential
167	Confidential
168	Confidential
169	Confidential
170	Confidential
171	Confidential

No.	Author
172	Name suppressed
173	Mr Joe Simundza
174	Mr Bruce Butler
175	Confidential
176	Confidential
177	Confidential
178	Confidential
179	Confidential
180	Confidential
181	Confidential
182	Confidential
183	Confidential
184	Save Mona Vale Hospital Community Action group
185	Confidential
186	Confidential
187	Confidential
188	Confidential
189	Confidential
190	Confidential
191	Name suppressed
192	Confidential
193	Confidential
194	Confidential
195	Office of the NSW Advocate for Children and Young People
196	Confidential
197	Confidential
198	Confidential
199	Confidential
200	Australian Paramedics Association (NSW)
201	NSW Health
202	Confidential
203	Confidential
204	Confidential
205	Confidential
206	Confidential

No.	Author
207	Confidential
208	Confidential
209	Confidential
210	Confidential
211	Confidential
212	Confidential
213	Dr Bruce Cooper
214	Confidential
215	Members of the Medical Advisory Committee, NBH
216	Confidential
217	Confidential
218	Confidential
219	Confidential
220	Confidential
221	Confidential
221a	Confidential
222	Confidential
223	Mrs Helen Broadley
224	Confidential
225	Mr Mark Horton
226	Confidential
226a	Confidential
226b	Confidential
227	Confidential
228	Confidential
229	Confidential
230	Confidential
231	PALM BEACH & WHALE BEACH ASSOCIATION (PBWBA)
232	Confidential
233	Confidential
234	Confidential
235	Confidential
236	Healthscope Group
237	Confidential
238	Confidential

No.	Author
239	Confidential
240	Confidential
241	Mr Martin Derby
242	Centre for International Corporate Tax Accountability and Research (CICTAR)
243	Ms Zali Steggall OAM MP
244	Confidential
245	Confidential
246	Mrs Sara Camier
247	Unions NSW
248	Confidential
249	Confidential
250	Confidential
251	Confidential
252	Confidential
253	Confidential
254	Confidential
255	Confidential

Appendix Five – Witnesses

17 October 2025

Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Mr Bola Oyetunji	Auditor-General, Audit Office of New South Wales
Ms Susie Harwood	Assistant Auditor-General, Performance Audit, Audit Office of New South Wales
Dr David Jollow	Director Women’s Health, Member of the Medical Advisory Committee, NBH
Dr Anne Greer	Director Anaesthetics and Pain Medicine, Member of the Medical Advisory Committee, NBH
A/Prof Matthew Morgan	Director Adult Intensive Care, Member of the Medical Advisory Committee, NBH
A/Prof Vijay Solanki	Director Cardiac Services, Member of the Medical Advisory Committee, NBH
A/Prof Patricia Hullah	Director Adult Medicine, Member of the Medical Advisory Committee, NBH
Adjunct Professor Anthony M. Schembri	Chief Executive, Northern Sydney Local Health District, NSW Health
Professor Michael Nicholl	Chief Executive, Clinical Excellence Commission, NSW Health
Mr Tino La Spina	Chief Executive Officer, Healthscope Group
Ms Kathryn Berry	Interim Chief Executive Officer, Northern Beaches Hospital
A/Prof Peter Thomas	Chief Operating Officer, Northern Beaches Hospital

28 November 2025

Parliament House, Jubilee Room, Sydney, NSW

Witness	Position and Organisation
Dr Tatiana Lowe	Staff Specialist, Northern Beaches Hospital, The Doctors Union (ASMOF NSW)
Mr Coda Danu-Asmara	Senior Industrial Officer, Australian Paramedics Association (NSW)
Mr Jason Ward	Principal Analyst, Centre for International Corporate Tax Accountability and Research (CICTAR)
Ms Lauren Hutchins	Assistant Secretary, Health Services Union
Ms Prue Irvine	Organiser, Health Services Union

Appendix Six – Extracts from minutes

Minutes of Meeting no. 24

12:18 PM, 13 March 2025

Library conference room and videoconference

Members present

By videoconference: Mr Li (Chair), Mr Barr (Deputy Chair), Mr Regan and Dr Saliba.

Apologies

Ms Leong and Mr Roberts.

Officers present

Stephanie Mulvey, Alison Buskens, Charlie King, Divya Bhandari, Yann Pearson and Rhea Maggs.

Agenda item

1. Personal or Pecuniary Interests

Mr Regan noted that he is the Member for Wakehurst, in which the Northern Beaches Hospital is located and that he has made previous public commentary on the Northern Beaches Hospital.

2. Proposed Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

The Committee noted receipt of letter from the Hon. Ryan Park MP, Minister for Health, Minister for Regional Health, and Minister for the Illawarra and the South Coast, received 12 March 2025, referring an inquiry into the safety and quality of health services provided by Northern Beaches Hospital and enclosing draft terms of reference.

Resolved, on the motion of Mr Barr, seconded by Dr Saliba: That the Committee conduct an inquiry into the safety and quality of health services provided by Northern Beaches Hospital in accordance with the Minister's letter of referral and draft terms of reference. Including that:

1. That the Public Accounts Committee examine, inquire into and report on the audited financial statements for the year ended 30 June 2024 and associated annual reporting information of the Northern Sydney Local Health District and the NSW Ministry of Health, as they specifically relate to the public health services funded by Northern Sydney Local Health District and delivered at Northern Beaches Hospital.
2. That as part of this inquiry the Committee inquire into and report on the safety and quality of health services provided at Northern Beaches Hospital from the period 30 October 2018 to 13 March 2025, and in particular:
 - a. Services provided by the Emergency Department, including to vulnerable patients and children

- b. The number, type, and severity of reportable incidents and other incidents for which a Serious Adverse Event Review (SAER) within the meaning of the Private Health Facilities Act 2007 (NSW) and Regulation, was undertaken (each, a Review Incident)
 - c. The response of Northern Beaches Hospital to Review Incidents, including the extent to which findings and recommendations of any investigations into those incidents were accepted or implemented
 - d. How Northern Beaches Hospital implements and supports patient and carer escalation programs, including but not limited to the Recognise, Engage, Act, Call, Help is on its way (REACH) program
 - e. The adequacy of any other systems, processes and governance arrangements in place at Northern Beaches Hospital aimed at preventing Review Incidents
 - f. Clinical staffing at Northern Beaches Hospital including the adequacy, skill mix and capability of staffing levels, and their alignment to relevant staffing and capability standards.
3. That the Committee consider the extent to which relevant findings and recommendations of the 2019 Parliamentary inquiry into the operation and management of the Northern Beaches Hospital have been implemented, having regard to the Government response to that inquiry.
 4. That the Committee take into account relevant findings and recommendations that may be released by the ongoing:
 - a. Special Commission of Inquiry into Healthcare Funding
 - b. Northern Beaches Hospital audit by the Auditor-General for NSW
 5. That the Committee have regard to, and conduct its inquiry in a manner that does not prejudice:
 - c. any inquest undertaken by the State Coroner in relation to the death of Master Joe Massa at Northern Beaches Hospital in September 2024
 - d. any internal investigation into the death of Master Joe Massa at Northern Beaches Hospital in September 2024
 6. That the Committee have regard to any other related matter.

3. Next Meeting

The meeting adjourned at 12:29 PM until 1:00PM on Monday 24 March 2025.

Minutes of Meeting no. 25

1:07PM, 24 March 2025

Meeting room 1254 and videoconference

Members present

In person: Mr Li (Chair) and Mr Barr (Deputy Chair).

By videoconference: Ms Leong, Mr Regan, Mr Roberts and Dr Saliba.

Officers present

Stephanie Mulvey, Alison Buskens, Charlie King, Divya Bhandari, Yann Pearson and Rhea Maggs.

Agenda item

1. ***

2. Confirmation of minutes – Meetings No. 23 and No. 24

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the minutes of the meetings of 17 February 2025 and 13 March 2025 be confirmed.

3. ***

4. ***

5. ***

6. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

The Committee considered the following documents prepared by committee staff:

- Draft stakeholder list.
- Draft inquiry timeline.

The Committee noted an updated draft stakeholder list was circulated the morning of 24 March 2025 and agreed that Members would send additional stakeholders to committee staff by close of business Wednesday 26 March 2025.

Resolved, on the motion of Mr Roberts, seconded by Mr Barr:

- That the Committee call for submissions to be received by 20 May 2025, and write to the listed stakeholders.
- That the Chair issue a media release announcing the inquiry.

7. Next Meeting

The meeting adjourned at 2:06 PM until 1:00 PM on Tuesday 29 April 2025.

Minutes of Meeting no. 26

1:10 PM, 5 May 2025

Meeting room 1254 and videoconference

Members present

In person: Mr Li (Chair) and Mr Barr (Deputy Chair)

By videoconference: Ms Leong, Mr Regan and Dr Saliba.

Apologies

Mr Roberts.

Officers present

Sam Griffith, Alison Buskens, Charlie King, Yann Pearson and Karena Li.

Agenda item

1. ***

2. Confirmation of minutes – Meeting No. 25

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 24 March 2025 be confirmed.

3. Briefing from Audit Office of NSW

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the following representatives of the Audit Office be invited to brief the Committee on *** and recently tabled reports:

- Bola Oyetunji, Auditor-General
- Claudia Migotto, Deputy Auditor-General
- Alison Brown, Assistant Auditor-General, Financial Audit
- Karen Taylor, Director, Financial Audit
- Susie Harwood, Assistant Auditor-General, Performance Audit
- Michael Thistlethwaite, Director, Performance Audit, and
- Renee O'Kane, Chief of Staff.

The above listed representatives from the Audit Office briefed the Committee on recently tabled audit reports, including:

- Northern Beaches Hospital (tabled 17 April 2025).
- ***

Representatives from the Audit Office left the meeting at 2:32 PM.

4. ***

5. ***

6. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

6.1 Correspondence

The Committee considered a letter from ***, dated 26 March 2025, regarding Northern Beaches Hospital.

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the Chair reply to *** on behalf of the Committee, thanking her for her letter and asking whether she would like the letter to be considered as a submission to the Committee's inquiry.

The Committee noted receipt of a letter from the Hon. Justice Richard Beasley, dated 2 April 2025, declining the Committee's invitation to make a submission with reference to the Special Commission of Inquiry into Healthcare Funding's deadline.

6.2 Forward work program

The Committee discussed the inquiry forward work program, submissions and stakeholder engagement.

Resolved on the motion of Mr Barr, seconded Mr Regan: That committee staff develop an information sheet on making confidential submissions, and that it be distributed to representative groups for healthcare workers.

7. ***

8. Next Meeting

The meeting adjourned at 3:45 PM until 26 May 2025.

Minutes of Meeting no. 27

1:04 PM, 23 June 2025

Meeting room 1254 and videoconference

Members present

In person: Mr Li (Chair) and Mr Barr (Deputy Chair), Ms Leong

By videoconferencing: Mr Regan, Mr Roberts and Dr Saliba.

Officers present

Helen Minnican (Clerk), Jonathan Elliott, Matt Johnson, Alison Buskens, Charlie King, Annie Furquan, Rhea Maggs and Karena Li.

Agenda item

1. ***

2. Confirmation of minutes

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 5 May 2025 be confirmed.

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

The Committee considered a briefing note prepared by Committee staff in consultation with the Chair. The briefing note annotated the inquiry terms of reference and discussed their relationship with the Committee's statutory functions.

The Clerk briefed the Committee on matters relevant to the inquiry terms of reference.

Discussion ensued.

The Clerk left the meeting at 1.50pm.

Resolved on the motion of Mr Roberts, seconded by Mr Barr: That the Chair on behalf of the Committee write to the State Coroner ***.

The Committee agreed that it would defer consideration of submissions, forward work plans and other correspondence relevant to the inquiry until a future date.

4. ***

5. ***

6. ***

7. ***

8. ***

9. Next Meeting

The meeting adjourned at 3.46pm until 1:00pm on Monday 4 August 2025.

Minutes of Meeting no. 28

1:08 PM, 4 August 2025

Meeting room 1254 and videoconference

Members present

In person: Mr Li (Chair) and Mr Barr (Deputy Chair), Mr Regan.

Dr Saliba via videoconference.

Apologies

Mr Regan and Ms Leong.

Officers present

Jonathan Elliott, Matt Johnson, Alison Buskens, Charlie King, Yann Pearson, Annie Furquan, Karena Li, and Hugh Duffield.

Agenda item

1. Personal or Pecuniary Interests

Nil.

2. Confirmation of minutes – Meeting No. 27

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 23 June 2025 be confirmed.

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

3.1 Terms of reference, scope of inquiry and advice regarding the sub judge convention.

The Committee noted:

Confidential advice from the Crown Solicitor's Office, dated 4 July 2025, regarding sub judge consideration as they apply to parliamentary inquiries undertaken by parliamentary committees.

Outgoing letter from the Chair, dated 25 June 2025, to Her Honour Magistrate Teresa O'Sullivan, NSW State Coroner.

Letter received from Alana McCarthy, Director, Crown Solicitor's Office dated 28 July 2025 regarding the inquest into the death of Joesph Massa.

The Committee considered briefing note prepared by committee staff in consultation with the Chair regarding forward options for the conduct of the inquiry.

Discussion ensued.

Resolved, on the motion of Mr Barr, seconded by Mr Regan:

- That the Committee proceed with the inquiry, under an interpretation of the terms of reference respecting the sub judice principle, and using a risk management approach.
- That a statement be prepared to report this interpretation to the House and to stakeholders.
- That the Committee reconvene at a later date to consider the draft statement.

3.2 Correspondence

The Committee considered an email from Ms Kathryn Berry, Interim CEO Northern Beaches Hospital, dated 9 May 2025, inviting the Committee to tour the hospital.

Resolved, on the motion of Mr Regan, seconded by Mr Barr: That the Committee reply to Ms Berry to accept the invitation to tour the hospital, at a date to be determined.

3.3 Submissions

The Committee noted receipt of 256 submissions.

Discussion ensued.

3.3.1 Late Submissions

The Committee noted receipt of five late submissions.

3.3.2 Correspondence approach

The Committee considered its correspondence approach with stakeholders who have made submissions, and agreed that the secretariat will draft supporting material for consideration at a future meeting.

3.3.3 Submissions publication

The Committee noted a submission publication table and explanatory note.

4. ***

5. ***

6. ***

7. ***

8. ***

9. Next Meeting

The meeting adjourned at 4:05 PM until 6 August 2025.

Minutes of Meeting no. 29

9:04 PM, 6 August 2025

Meeting room 1254 and videoconference

Members present

In person: Mr Li (Chair) and Mr Barr (Deputy Chair), Ms Leong and Mr Regan.
Dr Saliba and Mr Roberts by videoconference

Officers present

Matt Johnson, Alison Buskens, Yann Pearson, Annie Furquan and Karena Li.

Agenda item

1. ***

2. Confirmation of minutes – Meeting No. 28

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 4 August 2025 be confirmed.

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

3.1 Update to the Legislative Assembly

The Committee considered a draft update to the House regarding the sub judge convention and the Committee's interpretation of the terms of reference.

Discussion ensued.

Resolved, on the motion of Mr Barr, seconded by Mr Regan:

- That paragraph 3.1 (a), dot point 1 be amended by inserting the words 'or any matter under active coronial or other investigation to which the sub judge principle applies' following the word 'Massa'.
- That paragraph 4.1, dot point 1 be amended by omitting the words 'internal investigation' and inserting instead 'other investigation to which the sub judge principle applies'.

Resolved, on the motion of Mr Barr, seconded by Mr Regan:

- That the draft update as amended, regarding the Committee's inquiry into the safety and quality of health services provided by Northern Beaches Hospital, be an update of the Committee and tabled in the House.
- That once tabled, the update be published on the Committee's webpage and distributed to stakeholders that made submissions.

Resolved, on the motion of Ms Leong, seconded by Mr Barr: That the Chair, on behalf of the Committee, prepare a cover letter to be distributed with the Committee's update to submission makers.

3.2 Submissions

The Committee considered the submission publication table and explanatory note.

Discussion ensued.

Resolved, on the motion of Mr Barr, seconded by Ms Leong:

- That the Committee accept and publish submissions 4, 7, 10, 16, 23, 35, 39, 45, 58, 62-63, 65-67, 75, 77-78, 82, 84, 89, 92, 103-105, 108, 117, 123, 130, 143, 152, 155, 159, 163, 173-174, 195, 200-201, 213, 225, 246-247 in full.
- That the Committee accept and publish submissions 20-21, 61, 71-72, 86, 88, 94, 97, 106, 133, 142, 157, 161, 184, 231, 241, 243 with redactions.
- That the Committee accept and publish submissions 29, 158, 172, 191 with the author's name/s suppressed.
- That submissions 1-3, 5-6, 8-9, 11-15, 17-19, 22, 24-28, 30-34, 36-38, 40-44, 46-57, 59-60, 64, 68-70, 73-74, 76, 79-81, 83, 85, 87, 90-91, 93, 95-96, 98-102, 107, 109-116, 118-122, 125-129, 131-132, 134-141, 144-151, 153-154, 156, 160, 162, 164-171, 175-183, 185-190, 192-194, 196-199, 202-212, 214-224, 226-230, 232-240, 242, 244-245, 248-250, and late submissions 1-5 remain confidential to the Committee and not be published.
- That submission makers be advised of their submission's publication status.

4. Next Meeting

The meeting adjourned at 9:31 AM until 4 September 2025.

Minutes of Meeting no. 30

9:02 PM, 4 September 2025

Macquarie room and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair), Ms Leong, Mr Regan (via videoconference), and Mr Roberts (via videoconference)

Apologies

Dr Saliba.

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Yann Pearson, Karena Li, Hugh Duffield and Charlie King.

Agenda item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the minutes of the meeting of 6 August 2025 be confirmed.

3. ***

4. ***

5. ***

6. ***

7. ***

8. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

8.1 Submissions

The Committee noted the submissions publication table and additional submissions not previously considered.

8.2 Correspondence

The Committee considered documents provided by ***

Discussion ensued and the documents were noted as received.

8.3 Submission 223 – Mrs Helen Broadley

The Committee considered a request from Mr Regan that submission 223 (Mrs Helen Broadley) be published, as advised on 28 August 2025.

Discussion ensued.

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the Committee's resolution of 6 August 2025, that the submission of Mrs Helen Broadley (Submission 223) remain confidential to the Committee and not be published, be rescinded.

8.4 Forward plans

The Committee discussed next steps for the inquiry.

9. Next Meeting

The meeting adjourned at 2:50 pm until 8 September 2025.

Minutes of Meeting no. 31

1:04 PM, 8 September 2025

Meeting room 1254 and videoconference

Members present

Mr Li (Chair, by videoconference), Mr Barr (Deputy Chair), Ms Leong, Mr Regan (by videoconference), Mr Roberts (via videoconference), and Dr Saliba.

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Yann Pearson, Karena Li, Hugh Duffield and Charlie King.

Agenda item

1. Personal or Pecuniary Interests

Item noted under agenda item 3.3.

2. ***

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

3.1 Correspondence

The Committee noted:

- Email from ***, dated 21 July 2025, regarding her submission to the inquiry
- Email from ***, dated 28 August 2025, regarding his experiences at Northern Beaches Hospital.

The Committee agreed that the secretariat will contact these stakeholders.

3.2 Submission from Mrs Helen Broadley

The Committee notes its resolution on 4 September 2025 to rescind resolution of 6 August 2025 to keep the submission of Mrs Helen Broadley (Submission 223) confidential.

The Committee considered potential redactions to submission 223.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Mr Roberts: That the Committee publish submission 223 with redactions, and that the redacted submission be circulated to the Committee prior to publication with members given seven days to confirm their approval by email, including redactions to:

- ***

3.3 Submissions

Ms Leong advised the Committee that she had been contacted by Centre for International Corporate Tax Accountability and Research (CICTAR) staff regarding the status of the CICTAR submission, and advised of an existing relationship with the staff member.

The Committee considered an email from Mr Jason Ward, Principal Analyst, CICTAR, dated 29 August 2025 (previously circulated on 1 September 2025), requesting that the confidential CICTAR submission (Submission 242) be made public.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the Committee publish submission 242, with redactions made to *** and that the redacted submission be circulated to the Committee prior to publication with members given seven days to confirm their approval by email.

The Committee considered an email from Dr David Jollow, Chair, Medical Advisory Committee, Northern Beaches Hospital, dated 4 September 2025, requesting that the confidential Medical Advisory Committee's submission (Submission 215) be made public.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the Committee publish submission 215 with redactions, and that the redacted submission be circulated to the Committee prior to publication with members given seven days to confirm their approval by email.

The Committee considered an email from ***, dated 29 August 2025, requesting that his submission (Submission 96), be made public.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Mr Regan: That submission 96 remain confidential to the Committee and not be published.

3.4 Forward plans

Mr Roberts left the meeting at 2.14pm. Dr Saliba joined the meeting at 2.14pm.

The Committee considered its forward plans for the inquiry and noted dates for public hearings in October and November 2025.

Discussion ensued.

The Committee agreed that it would hold a private briefing with the Audit Office of NSW in relation to Northern Beaches Hospital.

The Committee agreed that the secretariat would review submissions to identify stakeholders who have requested to participate in a public hearing.

4. ***

5. ***

6. Next Meeting

The meeting adjourned at 2:43 pm until 13 October 2025.

Minutes of Meeting no. 32

4:19 PM, 22 September 2025

Meeting room 1136 and videoconference

Members present

Mr Li (Chair, by videoconference), Mr Barr (Deputy Chair, by videoconference), Dr Saliba (by videoconference), Mr Regan (via videoconference).

Apologies

Mr Roberts and Ms Leong.

Officers present

Matt Johnson, Alison Buskens, Charlie King, Yann Pearson, Annie Furquan, Karena Li and Hugh Duffield.

Agenda item

1. ***

2. Confirmation of minutes – Meetings no. 30 and 31

Resolved, on the motion of Mr Regan, seconded by Mr Barr: That the minutes of the meetings of 4 September 2025 and 8 September 2025 be confirmed.

3. ***

4. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

4.1 Visit to the Northern Beaches Hospital

The Committee noted the placeholder appointment for the visit to the Northern Beaches Hospital.

Discussion ensued.

Resolved on the motion of Dr Saliba, seconded by Mr Barr: That the Committee conducts a visit of inspection to Northern Beaches Hospital on 27 October 2025.

The Committee agreed that the secretariat will liaise with Northern Beaches Hospital to finalise arrangements for the visit.

4.2 Forward plans

The Committee considered draft hearing schedules for potential public hearings and discussed next steps for the inquiry.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the Committee hold a hearing for the inquiry into the safety and quality of health services provided by Northern Beaches Hospital on Friday 17 October 2025 and that the following organisations be invited to give evidence:

- Audit Office of NSW
- Health Care Complaints Commission
- Bureau of Health Information
- NSW Health
- Northern Sydney Local Health District
- Healthscope, and
- Northern Beaches Hospital.

Resolved on the motion of Mr Regan, seconded by Mr Barr: That the secretariat contact identified stakeholders to confirm whether they would like to appear before the Committee at a hearing on 28 November 2025.

The Committee agreed that the secretariat will prepare a draft schedule *** for an in camera hearing, for consideration at its next meeting.

5. Next Meeting

The meeting adjourned at 5:07pm until 13 October 2025.

Minutes of Meeting no. 33

1:06 PM, 13 October 2025

LA Clerks meeting room 850B and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair), Dr Saliba (by videoconference), Mr Roberts (via videoconference) and Mr Regan (via videoconference).

Apologies

Ms Leong.

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Charlie King, Yann Pearson, Karena Li and Hugh Duffield.

Agenda item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That the minutes of the meeting of 22 September 2025 be confirmed.

3. Briefing from the Audit Office

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the following representatives of the Audit Office of NSW be invited to brief the Committee:

- Bola Oyetunji, Auditor-General
- Claudia Migottto, Deputy Auditor-General
- Susie Harwood, Assistant Auditor-General, Performance Audit
- Renee O'Kane, Chief of Staff
- Lachlan Tuite, Associate Director.

The meeting adjourned at 1:07 pm and resumed at 1:10 pm.

Representatives from the Audit Office of NSW were admitted to the meeting at 1:10pm.

The representatives of the Audit Office of NSW briefed the Committee on the Northern Beaches Hospital performance audit report.

Representatives of the Audit Office left the meeting at 2:20pm.

4. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

4.1 Forward plans

The Committee considered potential questions and relevant themes for future public hearings.

4.2 Public hearing - Friday 17 October 2025

The Committee noted an email from the Executive Officer to the Commissioner of the Health Care Complaints Commission, dated 1 October 2025, with an apology for the public hearing on Friday 17 October 2025.

The Committee noted an updated schedule for the public hearing on Friday 17 October 2025, and agreed that the Medical Advisory Committee, Northern Beaches Hospital, would be invited to appear at the hearing.

4.3 Northern Beaches Hospital visit – Monday 27 October 2025

The Committee noted that arrangements for the hospital visit have progressed and that the Northern Beaches Hospital has advised that it will provide a draft schedule shortly.

4.4 In camera hearing – ***

The Committee note a draft schedule for an in camera hearing ***.

The Committee considered a list of supplementary witnesses for future public hearings.

Resolved on the motion of Mr Roberts, seconded by Mr Regan: That the Chair be authorised to invite individuals or groups from the supplementary witness list to give evidence before the Committee at a hearing if time becomes available in future hearing schedules.

Resolved on the motion of Mr Roberts, seconded by Mr Barr: That the Committee hold an in camera hearing for the inquiry into the safety and quality of health services provided by Northern Beaches Hospital ***

4.5 Public hearing – Friday 28 November 2025

The Committee noted a draft schedule for a public hearing on 24 November 2025.

Resolved on the motion of Mr Barr, seconded by Dr Saliba: That the Committee reserve a portion of time of its scheduled deliberative meeting on November 10 to conduct a hearing should it be required.

Resolved on the motion of Mr Roberts, seconded by Mr Barr: That the Committee hold a public hearing for the inquiry into the safety and quality of health services provided by Northern Beaches Hospital on Friday 28 November 2025 and that individuals and organisations on the draft hearing schedule be invited to give evidence.

Mr Roberts left the meeting at 3:00 pm.

4.6 Submissions

The Committee considered submissions 242 and 215.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the Committee write to CICTAR requesting the source material referenced in the submission surrounding the finances of Healthscope and related entities.

Discussion ensued.

The Committee considered and agreed upon redactions for submission 242 and submission 215 pursuant to its resolutions of 3 October 2025, to be made prior to the publication of the partially confidential submissions.

5. ***

6. ***

7. Next Meeting

The meeting adjourned at 3:23 pm until 17 October 2025.

Minutes of Meeting no. 34

12:38 PM, 17 October 2025

Macquarie room and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair, via videoconference), Ms Leong, Mr Regan (via videoconference), Dr Saliba (by videoconference) and Mr Roberts (via videoconference).

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Charlie King, Karena Li and Hugh Duffield.

Agenda item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the minutes of the meeting of 13 October 2025 be confirmed.

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

3.1 Pre-hearing discussion on Committee approach to questioning witnesses

The Committee considered its approach to questioning witnesses and the conduct of the public hearing. Discussion ensued.

The Committee noted that Healthscope's submission to the inquiry is confidential, and the Medical Advisory Committee's submission is partially confidential.

3.2 Pre-hearing procedural resolutions

The Committee considered the notice of public hearing for Friday, 17 October 2025.

Resolved, on the motion of Mr Barr, seconded by Mr Roberts:

- That the Committee invites the witnesses listed in the notice of public hearing for Friday, 17 October 2025 to give evidence in relation to the inquiry into the safety and quality of health services provided by Northern Beaches Hospital.

- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 17 October 2025 by committee staff and media organisations in accordance with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That the Committee adopts the following process in relation to supplementary questions for the hearing:
 - Members to email proposed supplementary questions for witnesses to committee staff by 4pm, Monday 27 October 2025;
 - Committee staff to then circulate all proposed supplementary questions to the Committee, with members to lodge any objections to the questions within 1 business day of the questions being sent to members.
- That witnesses be requested to return answers to questions taken on notice and supplementary questions within 2 weeks of the date on which the questions are forwarded.

3.3 ***

The Committee adjourned the deliberative meeting 1:10 pm.

4. Public hearing – Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

Witnesses and the public were admitted. The Chair opened the public hearing at 1:17 pm and made a short opening statement regarding the scope of the inquiry and the sub judice convention.

Mr Bola Oyetunji, Auditor-General, Audit Office of New South Wales, was sworn and examined.

Ms Susie Harwood, Assistant Auditor-General, Performance Audit, Audit Office of New South Wales, was affirmed and examined.

Mr Oyetunji made an opening statement. The Committee questioned the witnesses.

Evidence concluded, the witnesses withdrew.

The Chair reiterated his opening statement.

Dr David Jollow, Director Women's Health, and Chair, Medical Advisory Committee, Northern Beaches Hospital (NBH), was sworn and examined.

Dr Anne Greer, Director Anaesthetics and Pain Medicine, and Member, Medical Advisory Committee, NBH, was affirmed and examined.

A/Prof Matthew Morgan, Director Adult Intensive Care, and Member, Medical Advisory Committee, NBH, was affirmed and examined.

A/Prof Vijay Solanki, Director Cardiac Services, and Member, Medical Advisory Committee, NBH, was affirmed and examined.

A/Prof Patricia Hullah, Director Adult Medicine, and Member, Medical Advisory Committee, NBH, was affirmed and examined.

Dr Jollow made an opening statement. The Committee questioned the witnesses.

Evidence concluded, the witnesses withdrew.

The hearing adjourned at 2:39 pm and recommenced at 2:51 pm.

Ms Leong joined the hearing at 2:51 pm.

The Chair reiterated his opening statement.

Adjunct Professor Anthony M. Schembri, Chief Executive, Northern Sydney Local Health District, NSW Health, was sworn and examined.

Professor Michael Nicholl, Chief Executive, Clinical Excellence Commission, NSW Health, was sworn and examined.

The Committee questioned the witnesses.

Evidence concluded, the witnesses withdrew.

The Chair reiterated his opening statement.

Mr Tino La Spina, Chief Executive Officer, Healthscope Group, was affirmed and examined.

Ms Kathryn Berry, Interim Chief Executive Officer, Northern Beaches Hospital, was affirmed and examined.

A/Prof Peter Thomas, Chief Operating Officer, Northern Beaches Hospital, was affirmed and examined.

Mr La Spina and Ms Berry each made opening statements. The Committee questioned the witnesses.

Evidence concluded, the witnesses withdrew.

The Chair adjourned the public hearing at 5:05 pm.

5. Post-hearing deliberative meeting

5.1 Publication orders

The Chair resumed the deliberative meeting at 5:06 pm.

Discussion ensued.

Resolved, on the motion of Mr Regan, seconded by Mr Barr: That the Committee authorises the publication of the corrected transcript of evidence given today, and that the transcript be published on the Committee's webpage.

6. Next Meeting

The Chair adjourned the meeting at 5:15 pm until 20 October 2025.

Minutes of Meeting no. 36

1:17 PM, 10 November 2025

1254 meeting room and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair), Ms Leong (by videoconference), Mr Regan (via videoconference) and Dr Saliba (by videoconference).

Apologies

Mr Roberts.

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Yann Pearson, Charlie King and Hugh Duffield.

Agenda item

1. ***

2. Confirmation of minutes – Meeting No. 34 and Meeting No. 35

Resolved, on the motion of Mr Regan, seconded by Mr Barr: That the minutes of the meetings of 17 October and 20 October 2025 be confirmed.

3. ***

4. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital (NBH)

4.1 ***

4.2 Answers to questions taken on notice

The Committee noted answers to questions on notice received from:

- Medical Advisory Committee received on 3 November 2025.
- NSW Health received on 3 November 2025.
- Audit Office of NSW received on 30 October 2025.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the answers to questions taken on notice received from the following organisations be published on the Committee's website:

- Medical Advisory Committee
- NSW Health
- Audit Office of NSW.

4.3 Correspondence – Northern Beaches Hospital inquiry

4.3.1 Mr Jason Ward, Centre for International Corporate Tax Accountability and Research

The Committee considered email and attachments received from Mr Jason Ward, Principal Analyst, Centre for International Corporate Tax Accountability and Research (CICTAR), dated 17 October 2025.

Discussion ensued.

4.3.2 ***

5. ***

6. ***

7. Next Meeting

The meeting adjourned at 3:22 pm until 24 November 2025.

Minutes of Meeting no. 37

1:05 PM, 24 November 2025

Meeting room 814 and videoconference

Members present

Mr Li (Chair), Ms Leong, Mr Roberts (by videoconference), Dr Saliba (by videoconference) and Mr Regan (via videoconference).

Apologies

Mr Barr (Deputy Chair).

Officers present

Matt Johnson and Alison Buskens.

Agenda item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Roberts, seconded by Ms Leong: That the minutes of the meeting of 10 November 2025 be confirmed.

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

3.1 ***

3.2 ***

3.3 Correspondence

The Committee noted a letter received from Ms Kathryn Berry, Interim CEO, Northern Beaches Hospital, on 6 November 2025, requesting a two-week extension to provide answers to supplementary questions.

The Committee noted that the Chair had approved an extension until Thursday 4 December 2025.

3.4 Submission 242 – Centre for International Corporate Tax Accountability and Research (CICTAR)

The Committee considered redactions for submission 242 pursuant to its resolution of 8 September 2025, and agreed that the partially confidential submission be published without redactions to publicly available information.

4. ***

The Chair adjourned the meeting at 1:18 pm.

5. ***

6. Next Meeting

The Committee adjourned at 6:23 pm until 28 November 2025.

Minutes of Meeting no. 38

8:58 AM, 28 November 2025

Meeting room 814 and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair), Ms Leong, Mr Regan, Mr Roberts and Dr Saliba.

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Charlie King, Yann Pearson, Karena Li, Hugh Duffield.

Agenda item

1. ***

2. Confirmation of minutes – Meeting No. 37

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 24 November 2025 be confirmed.

3. ***

4. ***

5. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

5.1 Answers to supplementary questions (17 October public hearing)

The Committee noted receipt of answers to questions on notice from:

- NSW Health on 20 November 2025
- Audit Office of NSW on 20 November 2025
- Members of the Medical Advisory Committee, Northern Beaches Hospital on 21 November 2025.

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That answers to questions on notice received from the following organisations be published on the Committee's webpage:

- NSW Health
- Audit Office of NSW
- Members of the Medical Advisory Committee, Northern Beaches Hospital.

5.2 ***

5.3 ***

5.4 Pre-hearing procedural resolutions – public hearing

The Committee noted the notice of public hearing for Friday, 28 November 2025.

Resolved, on the motion of Mr Barr, seconded by Ms Leong:

- That the Committee invites the witnesses listed in the notice of the public hearing for Friday, 28 November 2025 to give evidence in relation to the inquiry into the safety and quality of health services provided by Northern Beaches Hospital.
- That the Committee authorises the audio-visual recording, photography, and broadcasting of the public hearing on 28 November 2025 by committee staff and media organisations, in accordance with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That the Committee adopts the following process in relation to supplementary questions for the hearing: questions for the hearing:
 - Members to email proposed supplementary questions for witnesses to the secretariat within two business days of the uncorrected transcript being circulated to members
 - Committee staff to circulate all proposed supplementary questions to the Committee, with members to lodge any objections to the questions within one business day of the questions being sent to members.
- That witnesses be requested to return answers to questions taken on notice and supplementary questions by 4pm, 12 January 2026.

5.5 Arrangements for *** public hearing

The Committee discussed the timing of the sitting of the House and the schedule for the public hearing.

The Chair adjourned the meeting at 9:08 am.

6. ***

7. Public hearing – Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

The Chair commenced the public hearing at 10:15 am and gave a short opening statement regarding the sub judge convention.

Dr Tatiana Lowe, Staff Specialist at Northern Beaches Hospital, Australian Salaried Medical Officers Federation was affirmed and examined by videoconference. Dr Lowe made an opening statement. The Committee questioned the witness.

The Chair adjourned the hearing at 10:40 am

The Chair resumed the hearing at 11:26 am, and the Committee continued questioning the witness. Evidence concluded, the witness withdrew.

The Chair reiterated his opening statement.

Mr Coda Danu-Asmara, Senior Industrial Officer, Australian Paramedics Association (NSW) was affirmed and examined.

Mr Danu-Asmara made an opening statement. The Committee questioned the witness.

Evidence concluded, the witness withdrew.

The Chair reiterated his opening statement.

Mr Jason Ward, Principal Analyst, Centre for International Corporate Tax Accountability and Research was affirmed and examined by videoconference.

Mr Ward made an opening statement. The Committee questioned the witness. Evidence concluded, the witness withdrew.

The Chair reiterated his opening statement.

Ms Lauren Hutchins, Assistant Secretary, and Ms Prue Irvine, Organiser, Health Services Union, were affirmed and examined.

The public hearing concluded at 12:50 pm.

8. Publication orders

The Chair resumed the meeting at 12:51 pm.

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the Committee authorises the publication of the corrected transcript of evidence given today, and that the transcript be published on the Committee's webpage.

9. Next meeting

The Committee adjourned at 12:52 pm until 2 February 2026.

Minutes of Meeting no. 39

1:05 PM, 2 February 2026

Meeting room 1254 and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair), Ms Leong, Mr Regan (via videoconference) and Dr Saliba (via videoconference).

Apologies

Mr Roberts.

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Karena Li and Riley Duncombe.

Agenda item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the minutes of the meeting of 28 November 2025 be confirmed.

3. ***

4. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

4.1 Answer to supplementary questions

The Committee noted answers to supplementary questions from Healthscope received on 4 December 2025.

Resolved on the motion of Ms Leong, seconded by Mr Barr: That answers to supplementary questions received from Healthscope be published on the Committee's webpage.

The Committee noted corrected answers to supplementary questions from NSW Health received on 19 December 2025.

Resolved on the motion of Mr Barr, seconded by Ms Leong: That updated answers to supplementary questions received from NSW Health be published on the Committee's webpage, to replace the previously published document.

4.2 Submissions

The Committee considered late supplementary submission 226b.

Resolved on the motion of Mr Barr, seconded by Ms Leong: That submission 226b remain confidential to the Committee and not be published.

4.3 Correspondence

The Committee noted letter received from Mr Coda Danu-Asmara, Senior Industrial Officer, Australian Paramedics Association (NSW) clarifying evidence provided at the public hearing on 28 November 2025, received on 10 December 2025.

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the letter received from Mr Coda Danu-Asmara be published on the Committee's webpage.

Resolved on the motion of Ms Leong, seconded by Mr Barr: That the Committee write to Healthscope, the Minister for Health and Northern Sydney Local Health District to seek information on recent IT upgrades at the Northern Beaches Hospital.

4.4 ***

4.5 Workshop on evidence and report planning

The Committee considered an evidence brief prepared by committee staff and the inquiry timeline.

Discussion ensued.

5. ***

6. ***

7. ***

8. ***

9. Next Meeting

The meeting adjourned at 4.03 pm until a date and time to be confirmed.

Minutes of Meeting no. 40

9:31 AM, 11 February 2026

Meeting room 1254 and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair), Mr Roberts, Mr Regan (via videoconference) and Dr Saliba (via videoconference).

Apologies

Ms Leong.

Officers present

Matt Johnson, Alison Buskens and Karena Li

Agenda item

1. ***

2. Confirmation of minutes – meeting no. 39

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 2 February 2026 be confirmed.

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

The Committee noted an answer given by the Chair to a question from Mr Regan during Question Time on 10 February 2026 that provided an update to the Legislative Assembly on the progress of the inquiry.

The Committee acknowledged the secretariat's assistance throughout the inquiry process.

4. ***

5. ***

6. Next Meeting

The meeting adjourned at 9.44 am until 16 March 2026.

Minutes of Meeting no. 42

2:04 PM, 16 March 2026

Meeting room 1254 and videoconference

Members present

Mr Li (Chair), Mr Barr (Deputy Chair, by videoconference), Dr Saliba (by videoconference), Mr Roberts, Ms Leong and Mr Regan (via videoconference).

Officers present

Matt Johnson, Alison Buskens Yann Pearson, Karena Li and Riley Duncombe

Agenda item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Ms Leong, seconded by Mr Robert: That the minutes of the meeting of 2 March 2026 be confirmed.

3. ***

4. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

4.1 Answers to questions on notice

The Committee considered an answer to a question taken on notice and attachments from the Health Services Union received 9 January 2026.

Discussion ensued.

Resolved on the motion of Ms Leong, seconded by Mr Roberts: That the answer to the question taken on notice and attachments received from the Health Services Union be published on the Committee's webpage, subject to the Health Service Union's agreement to publish the attachments.

The Committee considered an answer to a question taken on notice from the Centre for International Corporate Tax Accountability and Research received 4 February 2026.

Resolved on the motion of Ms Leong, seconded by Mr Roberts: That the answer to the question taken on notice received from the Centre for International Corporate Tax Accountability and Research be published on the Committee's webpage.

4.2 Submissions

The Committee considered the publication of submission 236 from Healthscope.

Discussion ensued.

Resolved on the motion of Mr Roberts, seconded by Ms Leong: That the Committee publishes submission 236 in full.

The Committee agreed that the secretariat will notify Healthscope about the change in publication status of the submission.

4.3 Correspondence - outgoing

The Committee noted the following items of correspondence sent regarding a request for information on recent changes or upgrades to the information technology systems supporting healthcare at Northern Beaches Hospital:

- Letter dated 11 February 2026 from the Chair to Adjunct Professor Anthony M. Schembri, Chief Executive, Northern Sydney Local Health District
- Letter dated 11 February 2026 from the Chair to the Hon. Ryan Park MP, Minister for Health
- Letter dated 11 February 2026 from the Chair to Ms Kathryn Berry, Interim Chief Executive Officer, Northern Beaches Hospital.

4.4 Correspondence - incoming

The Committee considered the following items of correspondence received:

- ***
- Letter dated 2 March 2026 from Ms Kathryn Berry, Interim Chief Executive Officer, Northern Beaches Hospital regarding the Committee's request for information, outlined at item 4.3
- Letter dated 6 March 2026 from Adjunct Professor Anthony M. Schembri, Chief Executive, Northern Sydney Local Health District regarding the Committee's request for information, outlined at item 4.3
- ***

Discussion ensued.

Resolved on the motion of Mr Roberts, seconded by Ms Leong: That the Committee reply to *** acknowledging her concerns, advising that the Committee does not handle complaints and cannot investigate complaints or concerns about specific incidents, providing information on complaint pathways, and providing her an update on the progress of the inquiry.

Resolved on the motion of Mr Roberts, seconded by Ms Leong: That the Committee publishes the letters from:

- Ms Kathryn Berry, Interim Chief Executive Officer, Northern Beaches Hospital
- Adjunct Professor Anothony M. Schembri, Chief Executive, Northern Sydney Local Health District.

5. ***

6. ***

7. ***

8. ***

9. Next Meeting

The meeting adjourned at 4.19 pm until Monday 4 May 2026.

Minutes of Meeting no. 45

2:05 PM, 11 June 2026

Meeting room 1254 and videoconference

Members present

Mr Li (Chair, by videoconference), Mr Barr (Deputy Chair, by videoconference), Mr Roberts (by videoconference), Mr Regan (by videoconference) and Dr Saliba (by videoconference).

Apologies

Ms Leong.

Officers present

Matt Johnson, Alison Buskens, Annie Furquan, Charlie King, Yann Pearson, Karena Li and Riley Duncombe

Agenda item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the minutes of the meeting of 4 May 2026 be confirmed.

3. Inquiry into the safety and quality of health services provided by Northern Beaches Hospital

3.1 Resolution permitting recording of meeting.

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That the Committee agrees to record the meeting for the purpose of committee staff preparing the minutes and report amendments, and that the recording be deleted once the report is tabled.

3.2 Consideration of the Chair's draft report

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That the Committee considers the Chair's draft report chapter by chapter.

The Committee considered the Introduction and executive summary.

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That the Introduction and executive summary stand as part of the report.

The Committee considered Chapter One.

Resolved on the motion of Mr Roberts, seconded by Mr Barr: That Chapter One stands as part of the report.

The Committee considered Chapter Two.

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That Chapter Two stands as part of the report.

The Committee considered Chapter Three.

Resolved, on the motion of Mr Regan, seconded by Mr Barr: That Chapter Three stands as part of the report.

The Committee considered Chapter Four.

The Committee noted receipt of amendments circulated by Ms Leong.

Discussion ensued.

Mr Regan, on behalf of Ms Leong, moved: That Finding 17 be amended by omitting the words 'New public private partnership arrangements that provide for the construction of an acute hospital or complex, and the provision of acute hospital services at the constructed hospital, are now prohibited.' and inserting instead 'New public private partnership arrangements are only prohibited in circumstances where they provide for both the construction of an acute hospital or complex, and the provision of acute hospital services at the constructed hospital. This limited prohibition is able to be circumvented by regulation.'

Discussion ensued.

Question put.

The Committee divided.

Ayes 1: Mr Regan.

Noes 4: Mr Li, Mr Barr, Mr Roberts, and Dr Saliba.

Question negatived.

Discussion ensued.

The Chair moved and Mr Barr seconded: That Finding 17 be amended by inserting the words ', subject to limited statutory exceptions to avoid unintended consequences' following the word 'prohibited'.

Question put.

The Committee divided.

Ayes 4: Mr Li, Mr Barr, Mr Roberts, and Dr Saliba.

Noes 1: Mr Regan.

Question passed.

Mr Regan, on behalf of Ms Leong, moved: That Recommendation 11 be amended by inserting the words 'Given that future public private partnerships are still permissible despite the passage of Joe's Law, ' at the start of the recommendation.

Discussion ensued.

Question put.

The Committee divided.

Ayes 1: Mr Regan.

Noes 4: Mr Li, Mr Barr, Mr Roberts, and Dr Saliba.

Question negatived.

Mr Regan, on behalf of Ms Leong, moved: That a new Recommendation 12 be inserted above paragraph 4.44 to read: 'That the NSW government examine existing public private partnership arrangements to assess whether adequate safeguards are in place to prevent profit-driven decisions from harming quality of care, or patient and staff safety.'

Question put.

The Committee divided.

Ayes 1: Mr Regan.

Noes 4: Mr Li, Mr Barr, Mr Roberts, and Dr Saliba.

Question negatived.

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That Chapter Four as amended stands as part of the report.

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That:

- The draft report as amended be the report of the Committee, signed by the Chair and presented to the House.
- The Chair and secretariat be permitted to correct stylistic, typographical, and grammatical errors.
- Once tabled, the report be published on the Committee's webpage.

The Committee considered its report tabling communication and engagement approach.

Discussion ensued.

4. Next Meeting

The meeting adjourned at 2.26 pm until 22 June 2026.

Appendix Seven – Glossary

This glossary briefly outlines terms from the Northern Beaches Hospital project deed that are used in this report.

Key parties

the Operator ⁴³⁶	NBH Operator Co Pty Ltd in its capacity as trustee of the NBH Operating Trust. The NBH Operator Co Pty Ltd is a subsidiary of Healthscope.
the State ⁴³⁷	Both Health Administration corporation and the Northern Sydney Local Health District are together, the State.

Hospital building

Public Patient Portion ⁴³⁸	The Public Patient Portion of the Hospital included the Emergency Department and any hospital areas that were dedicated to or required to be usable for the diagnosis, accommodation and treatment of public patients.
Private Patient Portion ⁴³⁹	The Private Patient Portion of the Hospital was the part used for the diagnosis, accommodation and treatment of Admitted and Non-Admitted Compensable Patients and any associated commercial facilities.

Operating payments

Activity Profile ⁴⁴⁰	The Activity Profile specified the type and volume of services which the State had determined to buy in each operating year (July to June). In effect, the Activity Profile set out the maximum levels of public hospital activity at Northern Beaches Hospital for which NSW Health would pay Healthscope.
Annual Notice ⁴⁴¹	Each year the State prepared and issued an Annual Notice for the upcoming year. This notice included the Activity Profile for the Hospital.
Maximum Payment Amount ⁴⁴²	The Maximum Payment Amount was the upper limit or ceiling for how much the State would pay Healthscope for services under the project deed. It was calculated on the estimated volumes of services in the Activity Profile multiplied by the State Price at a discount applied by Service Category.
Monthly Service Payment ⁴⁴³	The Monthly Service Payment was the monthly payment from the State to Healthscope for the delivery of public patient services at Northern Beaches

⁴³⁶ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 1.

⁴³⁷ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 1.

⁴³⁸ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 77.

⁴³⁹ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 73.

⁴⁴⁰ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 22; [Submission 201](#), NSW Health, p 6; Audit Office of NSW, [Northern Beaches Hospital](#), p

⁴⁴¹ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 24; [Submission 201](#), NSW Health, p 6.

⁴⁴² NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 28.

⁴⁴³ NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 28; NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 63; [Submission 201](#), NSW Health, p 6.

Hospital. It included a service-based payment and reductions to the monthly payment through the Abatement Regime. It predominately included public service activity measured in National Weighted Activity Units, multiplied by the State Price at a discount applied by Service Category.

Abatement Regime⁴⁴⁴ The project deed included an Abatement Regime that could be used to reduce the amount of money paid to the Operator (Healthscope). Abatements, or reductions could be applied to the monthly payment if the Operator failed to meet certain key performance indicators.

⁴⁴⁴ NSW Treasury, [Project Deed - Northern Beaches Hospital](#), p 21; NSW Treasury, [Contract Summary - Northern Beaches Hospital public private partnership contract](#), p 28.