



New South Wales

Health Services Amendment (Northern Beaches Hospital Deed Termination) Bill 2025

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Health Services Act 1997* to provide for the statutory termination of the Northern Beaches Hospital Deed and deal with compensation matters arising from that termination.

Outline of provisions

Clause 1 sets out the name, also called the short title, of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Schedule 1 Amendment of Health Services Act 1997 No 154

Schedule 1 inserts proposed Schedule 9 into the *Health Services Act 1997* to give effect to the Overview above.

Proposed clause 1 defines certain terms for the purposes of the proposed schedule, including the following—

Healthscope NBH entities means the following—

- (a) NBH Operator Co Pty Ltd ACN 169 029 081 in its capacity as trustee of the NBH Operating Trust ABN 83 722 380 020,
- (b) NBH Operator B Pty Ltd ACN 602 943 911,
- (c) a successor party to the Northern Beaches Hospital Deed to a person referred to in paragraphs (a) and (b), other than a person approved by the Minister.

NBH State Counter-parties means—

- (a) the Health Administration Corporation, and
- (b) the Northern Sydney Local Health District.

Northern Beaches Hospital Deed means the deed, entitled *Project Deed—Northern Beaches Hospital*, entered into on 11 December 2014, between the NBH State Counter-parties and the Healthscope NBH entities for Northern Beaches Hospital in Frenchs Forest, as amended from time to time.

Proposed clause 2 provides that the Minister for Health may terminate the Northern Beaches Hospital Deed by issuing the Healthscope NBH entities a termination notice (a **statutory termination notice**). The proposed clause provides that no liability is incurred by the State, and no claim, action or demand may be made or taken against the State by any person in relation to or arising out of the issue of the statutory termination notice, other than for a Default Termination Payment under the Northern Beaches Hospital Deed. However, the liability incurred by the State for a Default Termination Payment is reduced by the following amounts—

- (a) a payment of compensation under proposed clause 3,
- (b) other amounts payable under the Northern Beaches Hospital Deed or related documents.

Proposed clause 3 provides that on the issue of the statutory termination notice, the Healthscope NBH entities are liable to pay to the NBH State Counter-parties the following compensation—

- (a) handover costs, including transition costs and remediation costs, being the costs expected to be reasonably incurred by the State in assuming control of Northern Beaches Hospital, or a part of it, and transitioning the operation of the hospital, or a part of it, to—
 - (i) the public health system, or
 - (ii) another person or body,
- (b) other costs prescribed by the regulations.

Proposed clause 4 provides that after the issue of the statutory termination notice, the NBH State Counter-parties and the Healthscope NBH entities must negotiate to ascertain an agreed amount of compensation payable under the proposed schedule and the Northern Beaches Hospital Deed.

Proposed clause 5 allows the Healthscope NBH entities or the NBH State Counter-parties to make a request to the Treasurer for a determination of the compensation under the proposed schedule and the Northern Beaches Hospital Deed if—

- (a) negotiations have been unsuccessful, and
- (b) a period of at least 30 days, or another period specified by the Treasurer by written order given to the Healthscope NBH entities and the NBH State Counter-parties, has elapsed since the issue of the statutory termination notice.

Proposed clause 6 deals with the appointment of a person to determine the compensation (the **appointed person**).

Proposed clause 7 deals with the determination of compensation, including giving the appointed person the power to direct persons, by order, to give the appointed person specified documents and information. The State must comply with a direction. It is an offence, carrying a maximum penalty of 100 penalty units, for a person, other than the State, to contravene a direction.

Proposed clause 8 deals with payment and recovery of compensation agreed or determined under the proposed schedule.

Proposed clauses 9–14 deal with miscellaneous matters, including the following—

- (a) the making of regulations,
- (b) the giving of directions by the Minister for Health to the Healthscope NBH entities or another person to do, or not do, a thing that, in the Minister's opinion, will assist in one or more of the following—

- (i) assuming control of Northern Beaches Hospital, or a part of it,
 - (ii) transitioning the operation of Northern Beaches Hospital, or a part of it, to the public health system or another person or body,
 - (iii) ensuring that services will continue to be delivered at Northern Beaches Hospital in a safe and appropriate manner,
- (c) deeming the occurrence of certain things not to be a Change, a Change in Law, including a Qualifying Change in Law, or a Health Initiative under the Northern Beaches Hospital Deed,
- (d) dealing with the exercise of functions,
- (e) the disapplication of the *Land Acquisition (Just Terms Compensation) Act 1991* to a termination, or an action under a termination under the proposed schedule,
- (f) clarifying that the proposed schedule, and anything done under this schedule, has effect despite—
 - (i) other provisions of the *Health Services Act 1997*, or
 - (ii) another Act or law, or
 - (iii) another legal instrument, including an agreement to which the State and the Healthscope NBH entities are parties.