

**Submission
No 123**

**THE SAFETY AND QUALITY OF HEALTH SERVICES PROVIDED BY NORTHERN
BEACHES HOSPITAL**

Organisation: Audit Office of New South Wales

Date Received: 28 April 2025



Mr Jason Li, MP
Chair
Public Accounts Committee
Parliament House
Macquarie Street
SYDNEY NSW 2000

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22 April 2025

Dear Mr Li

Submission to the Public Accounts Committee inquiry into the safety and quality of health services provided by Northern Beaches Hospital

Thank you for your invitation to make a submission to your inquiry into the safety and quality of health services provided by Northern Beaches Hospital.

Today I have tabled a performance audit of the Northern Beaches Hospital in Parliament. The performance audit concluded that:

The Northern Beaches Hospital 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.

The partnership is at risk of failure, with Healthscope requesting in November 2023, and again in December 2023, that the return of the public portion of the Northern Beaches Hospital be brought forward by 14 years. In its requests, Healthscope noted the risk to the viability of the Northern Beaches Hospital, citing insufficient funding, a lack of integration into the wider health network, and strained stakeholder relationships.

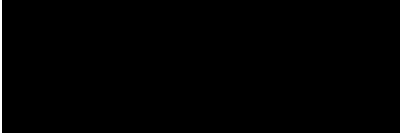
NSW Health effectively manages the contract with Healthscope day-to-day on behalf of the State, ensuring that public hospital activity at the Northern Beaches Hospital is provided at a lower cost than if the State operated the hospital. However, the public-private partnership structure creates tension between commercial imperatives and clinical outcomes. The Northern Beaches Hospital has recorded concerning results for some hospital-acquired complications and has not taken sufficient actions to address some identified clinical safety risks.

The project deed, which governs the partnership, does not support the hospital's integration into the local health district and broader health network. This has an impact on patient journeys and access to services for patients in the Northern Beaches. Additionally, Healthscope has no obligation or commitment to implement NSW Health initiatives – such as the Safe Staffing Levels initiative.

The Northern Beaches Hospital has achieved accreditation to ensure the hospital meets national quality standards for hospital care but some quality and safety concerns remain.

I would be happy to assist the committee with any further inquiries about this report.

Yours sincerely



Bola Oyetunji
Auditor-General for New South Wales