

**Submission
No 242**

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

Organisation: Centre for International Corporate Tax Accountability and Research
(CICTAR)

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**Submission for the NSW Parliament Public Accounts Committee
Inquiry into the safety and quality of health services provided
by Northern Beaches Hospital**

22 May 2025
(extension granted 20 May)

**On behalf of the Centre for International Corporate Tax Accountability & Research
(CICTAR)**

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[REDACTED] [REDACTED]

CICTAR welcomes the opportunity to make a submission into this crucial issue. CICTAR has done extensive research on health and social services sectors in Australia and globally. CICTAR's existing research includes specific previous investigations into Healthscope and Brookfield Corporation ("Brookfield"), which controls the investment in Healthscope. Our submission examines the finances of Northern Beaches Hospital (NBH), including context on Healthscope's operations and practices across Australia and those of its primary owner Brookfield, and secondary owner Caisse de dépôt du Québec ("CDPQ"). This information is crucial for evaluating the Northern Beaches Hospital situation and for the NSW Government to properly consider its options given Healthscope's broader current crisis and likely change in ownership.

We strongly recommend that the NSW not only take immediate control of the NBH public hospital, but also the NBH private hospital to ensure quality and integrity of healthcare services, as a cost effective means of expanding public health capacity in NSW. The fate and role of the Prince of Wales Private Hospital should also be under review. We make further recommendations on protecting health care from private equity in NSW and across Australia. We urge the NSW government to explore the opportunity for collaboration with federal, state and territory governments to protect health care delivery overall and the possibility of expanding public sector health care capacity at low cost given the opportunity created by Healthscope's current, [REDACTED], crisis.

We would welcome any further opportunities to discuss this material with the committee. Further details can be provided on request.



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services. All around the world, there are cases of private equity firms making huge profits from publicly funded health and care services, at the expense of the most vulnerable.⁵ Workers in private equity-controlled hospitals are often unable to provide the high quality of care that patients deserve. In the US, a recent study found that in private equity-controlled hospitals, patients were more likely to experience falls, bloodstream infections, and surgical site infections.⁶ The Private Equity Stakeholder Project (PESP) has done extensive mapping, with its [Private Equity Hospital Tracker](#) website, on the scale and disastrous track record of private equity owned hospitals in the US.

While private equity penetration of hospitals and care is well-documented in the US, its increasing investment in health care around the world is much less known and understood. CICTAR is currently working with PESP and other allies to develop a global private equity hospital tracker, beginning in Africa, where ‘development’ funding is de-risking private equity investments in for-profit hospitals.

Private equity firms’ narrow focus on short-term profits is often achieved by excessive use of debt and aggressive financial strategies, which significantly increases the risk of bankruptcy.⁷ A recent high-profile case illustrates the priorities of private equity investors. Steward Health Care, once the largest private for-profit health system in the US and with international operations, filed for bankruptcy in 2024. In Steward’s case, the chain of hospitals had been acquired by a private equity firm in 2010. Its new private equity managers converted the hospitals from non-profit to for-profit. They sold the hospitals’ land and buildings to a real estate investment trust (Medical Properties Trust, the initial buyer of half of Healthscope’s hospitals), which the hospitals then rented back. This brought in \$1.25 billion but saddled the hospitals with ongoing lease obligations.⁸

Private equity management used the windfall to “fund a growth spree” and pay dividends to investors. When the private equity fund “exited” its investment in 2020, the new owners “opted to cut costs and neglect bills in order to keep up with its rent payments”. This resulted in staff and equipment shortages, such as a shortage of biopsy needles, delaying cancer-detecting tests. Investigative journalists identified 15 cases in which a person died after receiving sub-standard care at Steward hospitals. Hospitals were forced to close as new owners could not be found, leaving many communities without access to health care services.⁹

Submission Outline

This submission begins with an overview of Healthscope’s current 38 private hospital operations across Australia. Following is a partial history of Healthscope’s service failures and closures that situate the service failures at NBH within a broader pattern of corporate behaviour and practice.

Following this is a more detailed review of the current ownership of Healthscope’s private hospitals in NSW and across Australia. This is an important aspect of the business model as the sale and leaseback of properties has been a major contributor to Healthscope’s current,

largely self-inflicted, challenges. However, the ownership of several hospitals by the NSW government and other state and territory governments also presents additional opportunities.

The next sections provide an overview of Brookfield, [REDACTED], some of its other Australian investments, current global controversies surrounding its business practices and a review of other major Brookfield health-related investments in Australia. In particular it flags Brookfield's control of GenesisCare, one of Australia's largest cancer treatment businesses, as potentially needing further scrutiny to ensure it does not suffer a similar fate to Healthscope.

The following section provides an overview of Healthscope's complicated ownership structure through the Cayman Islands and Bermuda. It also reveals that a major Canadian public pension fund appears to have a significant and direct equity stake in Healthscope. Information on Healthscope from the filings of the Bermuda-based private equity manager is contrasted with available filings in Australia. A comparison between profits and tax payments of Healthscope and Ramsay, the largest private hospital operator in Australia, suggests that under appropriate management the private hospital industry can perform well. [REDACTED]

[REDACTED] Financial statements from entities operating NBH provide some additional financial details, but raise more questions than answers.

Finally, there is an overview of the many levels of government subsidies that Healthscope has received and some recommendations and conclusions from the above information and review.

Overview of Healthscope's Operations

Healthscope operates 38 private hospitals nationally and a total of 5,245 beds. Of these, Healthscope operates 13 hospitals in NSW, with a total of 1,738 beds. This includes 292 public beds at Northern Beaches Hospital. Half of its remaining hospitals are in Victoria, where it also runs Rehab at Home (not included in the table below).

Hospitals Operated by Healthscope

State or territory	Number of hospitals	Number of beds
NSW	13	1,738
Victoria	12	1,546
Queensland	5	768
South Australia	4	533
ACT	1	148
NT	1	122



State or territory	Number of hospitals	Number of beds
Tasmania	1	146
Western Australia	1	244
Total	38	5,245

Healthscope's Service Delivery Failings

Healthscope's attempt in 2023 to exit its obligations with respect to the public portion of Northern Beaches Hospital (NBH), 14 years before the end of its lease, [REDACTED] [REDACTED].¹⁰ Healthscope's managers have demonstrated their willingness to close services that are no longer profitable, offering a variety of reasons but a common consequence: a succession of communities with reduced access to vital healthcare services. This is a problem that is not restricted to public private partnerships or the public beds at NBH. Services offered at private hospitals are an important component of Australia's health system and their closure has serious consequences.

Indeed, it is an experience that is already familiar to Northern Beaches residents. When the NSW Government announced its plan for the Northern Beaches Hospital, it intended for the new hospital to replace two existing hospitals at Mona Vale and Manly (with Mona Vale hospital to be redeveloped to provide "urgent care, sub-acute care and palliative care").¹¹ Barely two months before Healthscope opened the Northern Beaches Hospital, it announced that its Mosman Private Hospital would also be closed. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Closure of Maternity Services at Hobart Private Hospital

Although Healthscope insists that it has no plans to close Hobart Private Hospital,¹³ it announced in February that it will no longer offer maternity services. Healthscope's rationale for closing maternity services at Hobart Private Hospital is "difficulties in attracting and retaining staff".¹⁴ This closure is just the latest in a chain of failed private operators of what was once the publicly-owned maternity wing of the Royal Hobart Hospital. Sold off by the Tasmanian government in 1998, it was passed from Australian Hospital Care to Mayne Health and then to Healthscope. [REDACTED]

[REDACTED] Hobart Private Hospital's last day for maternity admissions will be August 13, 2025.¹⁶

The Federal government will instead step in, spending \$6m to expand maternity services at the public Royal Hobart Hospital and the private Calvary Lenah Valley Hospital (as part of a



funding package that includes replacing Healthscope's closure of mental health facilities, see below).¹⁷

Closure of Maternity Services at Darwin Private Hospital

In Darwin, Healthscope claims that a fall in the birthrate rendered maternity services financially non-viable. As a result, the public Royal Darwin Hospital, which is "regularly operating under 'emergency conditions'" and understaffed "including midwives particularly" will be the only hospital in Darwin for maternity services.¹⁸ In its February announcement, Healthscope initially gave only two months' notice for patients in Darwin,¹⁹ but the closure is now scheduled for June 6.²⁰ The Northern Territory's Health Minister is calling for \$35m from the Federal government to expand the public hospital maternity ward. In the interim, rooms at the Mercure Darwin Airport Resort will be used for post-natal maternity accommodation, despite concerns of the Australian Medical Association that the Resort is "a long way from immediate medical care at Royal Darwin". Maternity patients who had planned to give birth at Healthscope's Darwin Private Hospital will still be charged as private patients.²¹

Tasmania Mental Health Closure

In June 2023, Healthscope closed the 31-bed St Helen's Private Hospital, which provided mental health services including a specialised 8-bed mother-baby postnatal unit. The Tasmanian government increased its funding for postnatal care at the Royal Hobart Hospital, but this only provided three beds in a maternity services ward - which the government now admits was "not satisfactory". The Federal government's \$6m funding package, plugging the gaps as Healthscope withdraws, will include support for a new unit at St John's Park to replace and expand these services.²² In late February 2025, Healthscope finalised sale of the 4622 sqm, centrally located site, but has refused to disclose any details of the sale.²³

Other Closures

This year's Healthscope closures also include the 46-bed North Eastern Rehabilitation Centre in Ivanhoe, Victoria.²⁴ This is not the first time the hospital chain has made substantial cuts to its services, including at short notice. In 2018, Healthscope's hospital and maternity services closures also made headlines. It announced the closure of maternity services at Knox Private Hospital in Wantirna, Victoria, and announced the closure would be fast-tracked, giving only one month's notice. Like in the Northern Territory this year, Healthscope's stated reason was a falling birth rate.²⁵ Healthscope also closed the 107-bed Geelong Private Hospital, in this instance blaming "increased competition" with other private hospitals.²⁶ Healthscope also closed a medical ward at Hobart Private Hospital during negotiations over a new lease with the Tasmanian government in 2018. Healthscope claimed "it cannot staff its medical ward due to school holidays".²⁷

Properties

There has been extensive media coverage of Brookfield/Healthscope's recent failure to pay rent to its major institutional landlords.



In most cases, Healthscope does not own the real estate that underpins its operations. When Brookfield won a bidding war against Melbourne-based BGH Capital to acquire Healthscope in 2019, a “key part” of the deal was that Healthscope sell off much of its real estate.²⁸ This is known as a sale and leaseback strategy, allowing Healthscope (and thus Brookfield) to raise capital by selling its real estate, but creating an ongoing “lease liability” for itself - i.e. the obligation to pay rents to the new institutional landlord.²⁹

Prior to Brookfield’s acquisition in 2019, the real estate underpinning 22 of Healthscope’s hospitals was restructured into a separate property trust. The Australian Financial Review reported that at the time 65% of Healthscope’s hospital revenues was accounted for by the properties included in the trust, and that it was “expected to receive rental payments of between A\$80 million and A\$90 million in its first year.”³⁰ Analysis by Credit Suisse stated that the portfolio had “the potential for a high rent escalation agreement ... in excess of CPI” until its rent-to-earnings ratio increased from around 35% to the “private sector standard” of 40-50%.³¹ Media reported varying valuations of the property trust. At the high end, some claimed that bids would take the value up to \$1.8bn.³²

Most of the Healthscope hospitals in NSW were included in this sale-leaseback deal. However, Healthscope contracts directly with the NSW Government (NSW Health) to operate both NBH and Prince of Wales Hospital. According to James Thomson of the AFR, Healthscope’s profitable hospitals are mainly those that do *not* operate under lease agreements with the two real estate investment trusts, or REITs (HMC’s HealthCo and UHF, and NorthWest Healthcare). These profitable hospitals include Prince of Wales Private (Sydney) and Gold Coast Private.³³

Healthscope Hospitals in NSW

Hospital	Property owner	Beds	Address	Suburb	Details
Campbelltown Private Hospital	HMC Capital	82	42 Parkside Cres	Campbelltown	Unlisted Health Fund (UHF)
Nepean Private Hospital	HMC Capital	109	Barber Ave	Kingswood	Unlisted Health Fund (UHF)
Sydney Southwest Private Hospital	HMC Capital	87	32-40 Bigge St	Liverpool	Unlisted Health Fund (UHF)
Hunter Valley Private Hospital	NorthWest Health REIT	83	20 Mawson St	Shortland	



Hospital	Property owner	Beds	Address	Suburb	Details
Lady Davidson Private Hospital	NorthWest Health REIT	115	434 Bobbin Head Rd	N Turramurra	
Newcastle Private Hospital	NorthWest Health REIT	174	14 Lookout Rd	Newcastle	
Norwest Private Hospital	NorthWest Health REIT	277	11 Norbrik Dr	Bella Vista	
The Hills Private Hospital	NorthWest Health REIT	111	499 Windsor Rd	Baulkham Hills	
Windsor Road Private Clinic (part of the Hills Private Hospital)	NorthWest Health REIT	n/a	499 Windsor Rd	Baulkham Hills	
The Sydney Clinic	NorthWest Health REIT	44	22-24 Murray St	Bronte	
Prince of Wales Private Hospital	NSW government?	168	Barker St	Randwick	
Northern Beaches Hospital	NSW government?	488	105 Frenchs Forest Rd	Frenchs Forest	196 private beds, 292 public beds
Tweed Day Surgery	?	n/a	38-44 Boyd St	Tweed Heads	

The terms of Healthscope's agreement with the NSW Government to operate the Prince of Wales Private Hospital are not easily accessible. Healthscope has operated Prince of Wales Private since the ACCC approved its takeover of 14 hospitals from Ramsay in 2005. Thirteen of these were previously owned by Affinity Health, and ACCC had required Ramsay to divest them as part of its acquisition of Affinity earlier that year.³⁴

The NSW Government gave Healthscope the contract to build the Northern Beaches Hospital. Once it opened in 2018, Healthscope also held a 20-year license to operate the public section of the hospital ("up to 60 percent of the beds will be for public patients") and a 40-year licence to operate the private section of the hospital.³⁵

It appears from the Northern Beaches Hospital Project Deed that is available online³⁶ that Healthscope has two lease agreements with the NSW Government, one for the public beds and one for the private beds.

Leases with Governments Outside NSW

Healthscope also appears to lease hospital properties from governments of ACT, Tasmanian, and Victoria, as well as the Gold Coast hospital.

Gold Coast Private Hospital, which is collocated with Gold Coast University Hospital, was built by Healthscope on “land owned by Gold Coast Health”. Healthscope holds a 50-year “build, own, operate and transfer” concession that gives Gold Coast Health “a right to rental payments based on a percentage of revenue from March 2022”.³⁷ Gold Coast Health’s 2023-24 annual report includes revenue of \$4,387,000 for “property rental” in 2024 and \$3,828,000 in 2023, which may represent the rental payments under this agreement.³⁸

Consequences of the Sale-Leaseback Agreement with Institutional Landlords

To help finance Brookfield’s 2019 takeover of Healthscope and dramatically reduce the amount of equity invested, half of the portfolio was acquired by NorthWest Healthcare Properties in a joint venture with Singapore’s sovereign fund GIC.³⁹ Another Healthscope-operated hospital, Peninsula Private Hospital, was not listed in the media coverage of the original transaction but is currently listed in NorthWest’s property portfolio.⁴⁰ The other half of the 2019 portfolio was acquired by Medical Properties Trust, a real estate investment trust listed in New York [REDACTED]

[REDACTED].⁴¹ Medical Properties Trust sold its portfolio of 11 Healthscope-operated hospitals in March 2023 to HMC Capital, an asset manager run by the controversial Australian investor David Di Pilla.⁴² HMC holds four of these in its HealthCo Healthcare & Wellness REIT, and seven are held by an unlisted trust known as UHF. Three of these are in NSW. The HealthCo trust also owns seven GenesisCare properties, and NorthWest Healthcare Properties owns one GenesisCare property.⁴³ GenesisCare is also controlled by Brookfield, via Oaktree Capital.

Healthscope Hospitals by Property Owner

Hospital Name	Property Owner	Notes	State	Beds
The Victoria Clinic	"a syndicate of private investors"	Sold by Australian Unity HPT in 2011	Vic	115
National Capital Private Hospital	ACT government		ACT	148
Flinders Private Hospital	Adelaide Community Healthcare Alliance (ACHA)	non-profit community-based health provider	SA	130



Hospital Name	Property Owner	Notes	State	Beds
The Memorial Hospital	Adelaide Community Healthcare Alliance (ACHA)	non-profit community-based health provider	SA	100
Ashford Hospital	Adelaide Community Healthcare Alliance (ACHA)	non-profit community-based health provider	SA	239
Melbourne Private Hospital	Dexus Healthcare Property Fund		Vic	124
Gold Coast Private Hospital	Gold Coast Health (QLD government)		QLD	314
Pine Rivers Private Hospital	HMC Capital	HealthCo Healthcare & Wellness REIT (HCW)	QLD	81
Northpark Private Hospital	HMC Capital	HealthCo Healthcare & Wellness REIT (HCW)	Vic	144
The Geelong Clinic	HMC Capital	HealthCo Healthcare & Wellness REIT (HCW)	Vic	52
The Victorian Rehabilitation Centre	HMC Capital	HealthCo Healthcare & Wellness REIT (HCW)	Vic	143
Campbelltown Private Hospital	HMC Capital	Unlisted Health Fund (UHF)	NSW	82
Nepean Private Hospital	HMC Capital	Unlisted Health Fund (UHF)	NSW	109
Sydney Southwest Private Hospital	HMC Capital	Unlisted Health Fund (UHF)	NSW	87
Sunnybank Private Hospital	HMC Capital	Unlisted Health Fund (UHF)	QLD	122



Hospital Name	Property Owner	Notes	State	Beds
Knox Private Hospital	HMC Capital	Unlisted Health Fund (UHF)	Vic	359
Ringwood Private Hospital	HMC Capital	Unlisted Health Fund (UHF)	Vic	74
Mount Hospital	HMC Capital	Unlisted Health Fund (UHF)	WA	244
Dorset Rehabilitation Centre	HMC Capital?		Vic	30
Holmesglen Private Hospital	Holmesglen Institute? - VIC Govt, TAFE		Vic	147
La Trobe Private Hospital	La Trobe University? - VIC Govt		Vic	34
Rehab at Home	n/a		Vic	n/a
Hunter Valley Private Hospital	NorthWest Health REIT		NSW	83
Lady Davidson Private Hospital	NorthWest Health REIT		NSW	115
Newcastle Private Hospital	NorthWest Health REIT		NSW	174
Norwest Private Hospital	NorthWest Health REIT		NSW	277
The Hills Private Hospital	NorthWest Health REIT		NSW	111
The Sydney Clinic	NorthWest Health REIT		NSW	44
Windsor Road Private Clinic (part of the Hills Private Hospital)	NorthWest Health REIT		NSW	n/a
Darwin Private Hospital	NorthWest Health REIT		NT	122



Hospital Name	Property Owner	Notes	State	Beds
Brisbane Private Hospital	NorthWest Health REIT		QLD	181
Peninsula Private Hospital	NorthWest Health REIT		QLD	70
Griffith Rehabilitation Hospital	NorthWest Health REIT		SA	64
John Fawcner Private Hospital	NorthWest Health REIT		Vic	149
The Melbourne Clinic	NorthWest Health REIT		Vic	175
Northern Beaches Hospital	NSW government	196 private beds, 292 public beds	NSW	488
Prince of Wales Private Hospital	NSW government		NSW	168
Hobart Private Hospital	Tasmanian government		TAS	146
Tweed Day Surgery			NSW	n/a

Brookfield's Other Australian Holdings

Brookfield is a Canada-based US\$1 trillion global “alternative” investment manager with massive investments in Australia beyond Healthscope. According to the most recent annual report of Brookfield Corporation, at the end of 2024, the company reported \$6.68 billion in revenues from Australia or nearly 7.8% of its global revenue.⁴⁴ Australia ranked fourth in the world after the US, UK and Canada. Australia ranked 4th in the world in terms of assets as well, with \$29.3 billion of reported Australian assets.⁴⁵

.⁴⁶ CICTAR has previously examined Brookfield's business model and structure, including via



Healthscope.⁴⁷ This also included an analysis of its ownership of London's Canary Wharf with joint venture partner the Qatar Investment Authority. Since CICTAR's report, HMRC, the UK tax authority (which also leases office space in Canary Wharf), has deepened an ongoing inquiry into the deductibility of interest payments by the Jersey-based property ownership entity.⁴⁸ At the end of 2024, this Brookfield entity had made provisions for a tax charge of £13.3 million, but in a 'worst case' the total tax liability could reach £23.8 million.⁴⁹

CICTAR also worked with allies to file a shareholder resolution on tax transparency at Brookfield in 2023. Despite staunch opposition from Brookfield's management, one-third of independent shareholders voted to require the company to publicly report tax and basic financial information on a country-by-country basis.⁵⁰ Presumably, Brookfield will now be required to report under Australia's landmark new public country by country reporting requirement for large multinationals.⁵¹ CICTAR has done subsequent analysis of Brookfield's investment in a privatised energy in Columbia, investments in child care real estate in Norway, and has ongoing analysis of Brookfield's business and tax practices in other jurisdictions.⁵²

Brookfield, already a significant investor in energy and infrastructure assets and services in Australia, including AusNet, attempted to takeover Origin Energy in late 2023.⁵³ However, that bid was blocked by AustralianSuper, which stated that: "the value and future value of Origin is better in the hands of AustralianSuper members and other shareholders than a private equity consortium planning to shortchange them."⁵⁴ In Australia, Brookfield also controls construction giant Multiplex, has huge commercial property holdings, major infrastructure assets and many other businesses. Brookfield's private equity arm, which controls the Healthscope investment, also controls La Trobe Financial, an Australian investment firm with "\$20 billion in assets under management and over 100,000 investors".⁵⁵

Recent Global Concerns on Brookfield's Business Conduct

Mark Carney, now Canada's prime minister, was - until just before the recent Canadian federal election - the chair of Brookfield. As a result, Brookfield's tax avoidance and business practices have attracted fresh attention in Canada.⁵⁶ Carney has a deep background in banking and finance as a former governor of the Bank of England and the Bank of Canada.⁵⁷

These concerns arise in part from the sale of properties in its vast global commercial real estate holdings, under intense price pressure since the global COVID-19 pandemic, to entities in its own growing insurance empire. While Brookfield has been in a fierce battle with the private health insurance industry in Australia - on which it blames Healthscope's woes - it has amassed US\$20 billion in global insurance industry investments.⁵⁹



Other Brookfield Health & Care Investments in Australia

Brookfield, while seeking to turn over control of Healthscope to its lenders, is in the process of selling another major asset in Australia with significant investment returns. Brookfield bought Aveo, Australia's largest retirement living company in 2019 for \$1.3 billion (excluding debt) and is now preparing to sell it for \$3 billion, after already selling the South Australian villages for \$122 million.⁶²

⁶³ Like Healthscope, Aveo had been an ASX-listed company.

Brookfield, via its control of distressed debt specialist Oaktree Capital, also controls GenesisCare, one of Australia's largest cancer care companies with over 40 treatment centres serving 30,000 people per year.⁶⁴ The GenesisCare business collapsed under previous private equity ownership and Oaktree Capital took control of the Australian business through its debt. Some of the same previous private equity owners in GenesisCare also had control of Healthscope before it was re-listed and then delisted again by Brookfield.

As an aside, "Australia's largest vertically integrated cancer-care operator" is also owned by another private equity company.⁶⁶

Healthscope's Ownership and Corporate Structure

Brookfield acquired Healthscope in 2019 and controls its investment in Healthscope through its Bermuda-based private equity unit Brookfield Business Partners L.P.

However, before getting to Bermuda, the Healthscope ownership structure goes through the Cayman Islands as well. The top Healthscope holding company in Australia is ANZ Hospitals Topco Pty Ltd. Its 2023 financial statements (most recent as of 22 May 2025, the 2023 report was filed 29 April 2024) continue to state that "the parent entities of the Group are BCP VIG Holdings L.P and Brookfield HSO Co-Invest II LP. The ultimate parent of the Group is Brookfield Asset Management Inc., a Canadian corporation."⁶⁸ BCP VIG Holdings L.P. is headquartered at Uglund House in the Cayman Islands.⁶⁹ Uglund House is the registered office address of 40,000 global shell companies

It is not clear where Brookfield HSO Co-Invest II LP is domiciled, but it most likely represents the co-investment of the Caisse de dépôt et placement du Québec (CDPQ). CDPQ is the government-run default pension plan for the Canadian province of Quebec. CDPQ announced its direct investment of over A\$300 million in the Healthscope deal in 2019 stating that it was “an opportunity for CDPQ to invest in the Australian healthcare sector and support a company that provides essential services to the benefit of the communities.”⁷¹

Perhaps, CDPQ’s 6 million beneficiaries in Quebec would be interested to know what happened to their retirement savings and how communities in Australia have been impacted?

CDPQ’s Australian Assets

CDPQ, along with other Canadian public pension funds, is a major investor in Australia in its own right and in many cases also in partnership with Brookfield. Previous CICTAR research has analysed [REDACTED] practices by Canadian public pension funds on global investments, particularly related to ‘social infrastructure’.⁷² CDPQ currently has C\$12 billion in investments in Australia and New Zealand and plans to double that exposure in the next 5 years.⁷³ Its Australian investments include significant stakes in the Sydney Metro (another PPP) and Transgrid, the privatised electricity transmission operator in NSW and the ACT.⁷⁴ Another CDPQ investment in Australia is its ⅓ ownership of DP World ports (with Dubai’s royal family and another private equity firm).⁷⁵ Despite highly profitable operations DP World has paid ZERO in corporate income tax in Australia over the last decade.⁷⁶

Structure of the Healthscope Deal: Brookfield’s Limited Equity Investment

Given that the total equity investment in Brookfield’s US\$4.1 billion takeover was only \$1 billion, previous announcements and the current ownership structure of ANZ Hospitals Topco Pty Ltd suggests that CDPQ maintains a substantial direct equity interest in Healthscope.⁷⁷ In fact, Brookfield Business Partners’ share of the equity was only US\$295 million, giving it a 28% economic ownership.⁷⁸ The latest (2024) annual report of Bermuda-based Brookfield Business Partners L.P. states that it has a 100% voting interest in Healthscope Pty Ltd, but only a 28% economic interest.⁷⁹ This indicates that Brookfield’s direct equity interest has remained at only 28% since the acquisition in 2019. Given these ratios and historical exchange rates it is likely that CDPQ has at least a 20% non-controlling equity interest in Healthscope. Other institutional investors may still have direct co-investments in Healthscope and have indirect investments through Brookfield Business Partners, through Brookfield or through other Brookfield managed funds.

The rest of the Healthscope acquisition “was funded with approximately \$1.4 billion in debt financing and \$1.7 billion from the sale and leaseback of 22 wholly owned freehold hospital properties.”⁸⁰ Since the acquisition, it appears that Brookfield has recouped significant amounts of its initial equity including through subsequent sales of portions of the business,

revenues (including significant direct and indirect government support), management fees and other possible private equity tactics. While Brookfield's lenders and other stakeholders have lost or may lose money, Brookfield may have already made a return from its minimal direct equity in the Healthscope deal. There is not enough public information to determine what Brookfield has already extracted from its Healthscope investment. [REDACTED]

[REDACTED]

[REDACTED]

Brookfield's Bermuda Reporting on Healthscope

Interestingly, the filings of Bermuda based Brookfield Business Partners L.P. - the private equity vehicle which manages the 28% economic interest and 100% voting interest in Healthscope - paints a different picture to the available filings in Australia. These filings have portrayed the business as one generating healthy returns. The most recent annual report does indicate some difficulties facing Healthscope, but there is no indication - as reported widely in Australian media - that Brookfield has offered to turn over control of Healthscope to its lenders and is on the verge of bankruptcy or liquidation.

The latest annual report from April 10, 2025 and covering the 2024 calendar year indicates that Healthscope "contributed [US]\$36 million to Adjusted EBITDA [earnings before interest, tax, depreciation and amortisation; a frequently used figure that more accurately portrays the underlying operations of a business than profit or loss] for the year ended December 31, 2024 compared to \$54 million for the year ended December 31, 2023. Business performance remained challenged..."⁸¹ It further reports US\$64 million in Adjusted EBITDA for 2022.⁸² While these are declining returns over the years, it does indicate that the underlying operating business has continued to generate positive returns. This contrasts sharply with constant losses (after interest, tax and depreciation) in Australia. Bermuda's corporate tax rate of zero, over this period, compared to Australia's 30% tax rate may help explain some of the motivation in the differences in reporting. It's also worth noting that in 2022, Healthscope operated 42 hospitals, compared to only 38 in 2024. In addition to returns generated from further sales of hospitals, Brookfield made significant gains from selling Healthscope's New Zealand pathology business in 2020. That sale was valued at NZD\$550 million.⁸³

As discussed in more detail below, the most recent Australian filings indicate that losses in 2023 are driven in large part by impairment charges. The recent Brookfield filings indicate that this trend continued in 2024. Brookfield reports "an impairment of goodwill of [US]\$661 million" from the Healthscope business in 2024 "due to revised expectations of cash flows as a result of updated estimates for hospital admissions, revenue rates and operating costs".⁸⁴ These losses are driven by accounting methods rather than a failure to generate income from operations.

The 2024 Brookfield Business Partners L.P. annual report states that the majority of Healthscope's revenues "are generated from private health insurance funds and government-related bodies under Hospital Purchaser-Provider Agreements. These revenues are generally based on a pricing schedule set out in the agreements and are either on a



case payment or per diem basis, depending on the type of service provided.”⁸⁵ Brookfield also states that Healthscope “is operating with an unsustainable cost structure primarily due to escalating wage inflation which continues to exceed reimbursement rates from private health insurers. Discussions with key stakeholders on a plan to support the longer-term recovery for the business are ongoing.”⁸⁶

What Brookfield does not detail to investors, but is now being widely reported by Australian media outlets, is that Brookfield’s business is failing due in large part to self imposed conditions, including escalating rental costs from its own sale leaseback deals and its unsustainable debt levels and interest payments.⁸⁷

While Brookfield blames rising labour costs - and private insurance payments not keeping up - it also highlights the risks to investors of failing to attract and retain qualified staff.

“Accredited medical practitioners prefer to work at hospitals which, amongst other things, provide high-quality facilities, equipment and nursing staff, exceptional clinical safety outcomes and which are conveniently located. Accredited medical practitioners could cease to practice or stop referring patients to our facilities if the hospitals become a less attractive place to work. Our healthcare services are subject to rising costs, particularly labor costs associated with attracting and retaining key personnel. Nursing labor is the most significant cost in our hospital operations. Any increase in cost or tightening of supply of accredited medical practitioners or nursing labor is likely to adversely impact the financial and operational performance of our healthcare services.”⁸⁸

These risks at Healthscope are not hypothetical, but very real. [REDACTED]

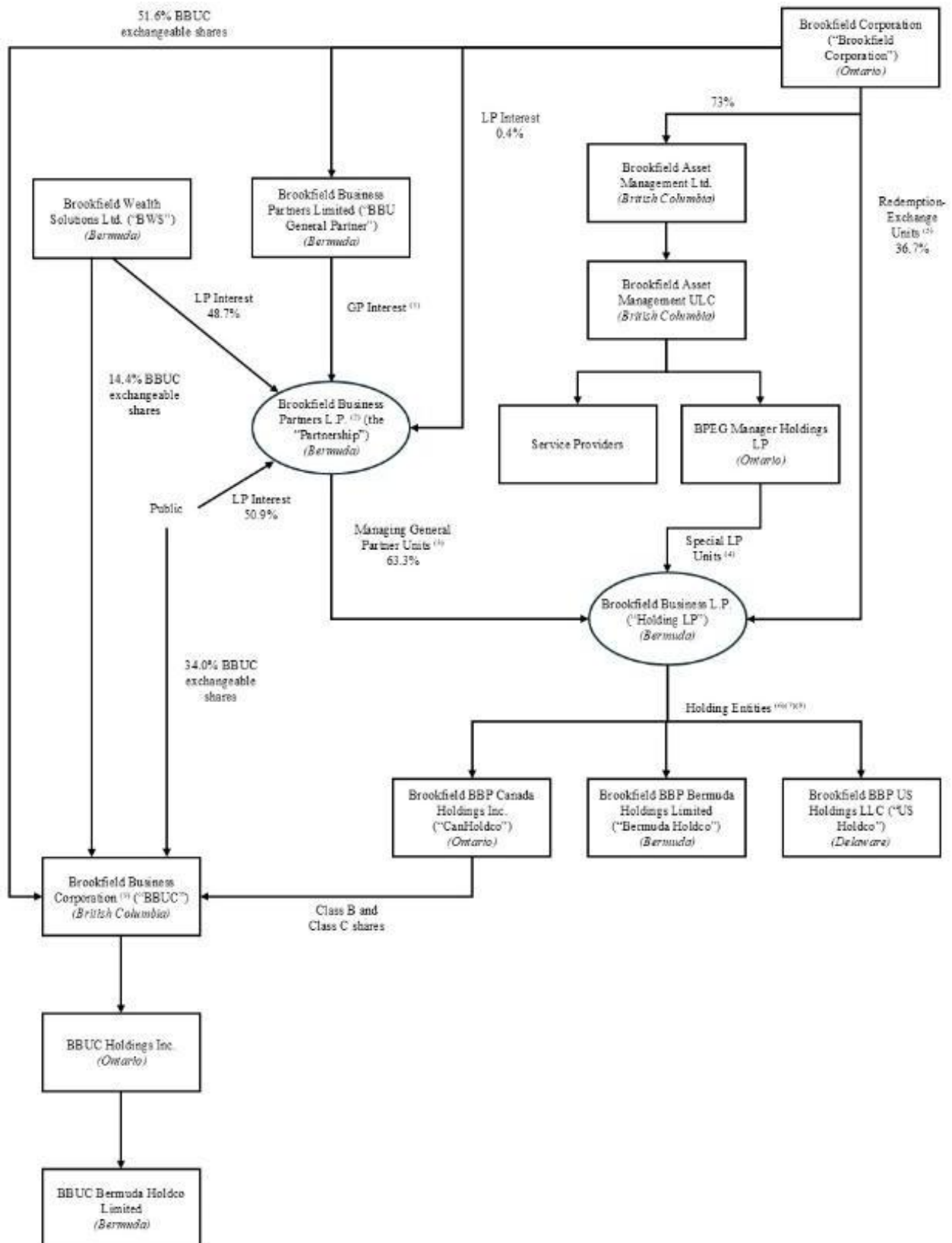
[REDACTED]

[REDACTED]

While the Brookfield Business Partners L.P. filings cover Brookfield’s global private equity business, the limited information on Healthscope does provide some insights and interesting comparisons to the limited reporting in Australia. The ownership structures within Brookfield are incredibly [REDACTED] complex (see chart below).⁸⁹ Likewise, the Healthscope structures in Australia are also complex and opaque. Given the levels of public support and the importance to the overall health system, there should be requirements for far greater levels of transparency and accountability.



Brookfield Business Partners Corporate Structure





Healthscope's Top Holding Company in Australia: ANZ Hospitals Topco Pty Ltd

ANZ Hospitals Topco Pty Ltd is the top Healthscope holding company in Australia, but the information in its financial statements filed with ASIC is limited and many of the transactions within the group appear to be eliminated through consolidation. The most recent (2023) filing does confirm that Healthscope owned only 3 hospital properties at the end of 2023.⁹⁰ One of the company-owned hospitals, the St Helens Private Hospital in Hobart, had already been closed "and the property is classified as asset held for sale."⁹¹ The closure caused deep concern for the community in Tasmania and in late April the sale of the landmark historic CBD property was announced for an undisclosed price.⁹² [REDACTED]

[REDACTED]

[REDACTED]

While the 2023 financial statements report a net loss after tax for the Healthscope group of \$648.9 million in 2023, this may obscure the full picture.⁹³ In 2023 total revenue was nearly \$2.8 billion and only \$1.3 billion, or under 49%, was in employee expenses.⁹⁴ EBITDAR (earnings before interest, tax, depreciation, amortisation and rent), a generally better metric of underlying financial performance, was \$272.8 million.⁹⁵ The biggest driver towards generating an overall loss was a recorded "impairment loss of \$919.4 million related to goodwill. "The impairment is a result of changes in forecasted cash flow assumptions from revised expectations of hospital admissions, change in discount rate and operating costs."⁹⁶

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This top level view also hides the differences in profitability of individual hospitals. One of the major drivers of poorer performance is high rent payments on the 23 hospitals under sale leaseback deals, which were a major factor in financing the initial acquisition. Minimal rent payments related to hospitals owned by state and territory governments (or managed on behalf of non-profits), are likely to drive higher property level profits and are another form of government subsidy on Healthscope's operations. [REDACTED]

[REDACTED]

[REDACTED]

Comparison with Ramsay Health Care

Healthscope is the second largest private hospital operator in Australia, its top competitor and the largest private hospital company is Ramsay. Although Ramsay's margins on its Australian operations have tightened in recent years it has consistently made a profit and consistently paid significant corporate income taxes on those profits. A comparison of the two companies, in the same industry, based simply on ATO corporate tax data is revealing.



In the most recent data (2022-23), Healthscope (ANZ Hospitals Topco Pty Ltd) ranked 190th in Australia with total income of nearly \$2.8 billion, but had zero taxable income and paid zero in corporate income tax.⁹⁷ Ramsay Health Care Limited ranked 80th with total income of nearly \$5.7 billion.⁹⁸ Ramsay reported taxable income of \$458.9 million and had tax payable of \$124.5 million.⁹⁹ For Ramsay, based on this data, this represents an estimated profit margin of 8.1% and an effective tax rate of 27.1%. This suggests that the underlying business of operating private hospitals in Australia, with appropriate business models and long-term management, can be highly profitable. The general pattern in the comparison between Healthscope and Ramsay repeats itself in prior years, except Ramsay's estimated profit margins are higher.

It is clear from the financial statements of ANZ Hospital Topco Pty Ltd that the ATO has contested Healthscope's financial reporting. The 2021 financial statements report that after an ATO review, the tax authority issued amended assessments to which Healthscope objected.¹⁰⁰ The 2022 filing reports that Healthscope and the ATO "reached a resolution of an outstanding tax matter in September 2022."¹⁰¹ For the first time under Brookfield's ownership, Healthscope reported an after-tax profit of \$2.1 million in 2022 and recorded a tax expense of \$18.9 million.¹⁰² The 2023 filings return to the previous practice with reported losses generating a current income tax benefit of \$117.1 million.¹⁰³

[REDACTED]

Below the Topco: Are New Directors Preparing for Liquidation?

P.O.W. Hospital Pty Ltd is one of many disclosed subsidiaries of ANZ Hospitals TopCo Pty Ltd and presumably related to the operation or lease holding at the Prince of Wales Private Hospital in Randwick. A current company extract from 16 May 2025 purchased from ASIC reports two current directors with an appointment date of 11 April 2025. It appears that these directors were appointed across entities of the Healthscope group on the same day. [REDACTED]

[REDACTED]

[REDACTED]



According to the company extract, the ‘ultimate holding company’ for this entity is ANZ Hospitals Topco Pty Ltd, but P.O.W. Hospital Pty Ltd’s single ordinary share is held by Healthscope Management Pty Ltd. However, Healthscope Management Pty Ltd is not one of the more than 50 entities listed as subsidiaries of ANZ Hospitals Topco Pty Ltd.¹⁰⁷ Neither of these entities files separate financial statements with ASIC.

There appear to be other Australian entities in the Healthscope group that are also not listed as subsidiaries in the most recent (2023) ANZ Hospitals Topco Pty Ltd annual financial statements. These include at least two entities, NBH Operator Pty Ltd and NBH Hold Co Pty Ltd, that appear to be related to the Northern Beaches Hospital (NBH). The subsidiaries listed that appear to be related to NBH are: NBH Borrower Pty Ltd, NBH Operator Co Pty Ltd, NBH HoldCo 1 Pty Ltd, NBH Car Park Operator Pty Ltd, NBH HoldCo 2 Pty Ltd & NBH Operator B Pty Ltd. The only one of these entities that appears to file financial statements regarding its operations is NBH HoldCo 2 Pty Ltd.¹⁰⁸

NBH HoldCo 2 Pty Ltd - Opaque Operations at the Northern Beaches Hospital

The 2023 financial statements of NBH HoldCo 2 Pty Ltd state that the parent of the immediate group is Healthscope Operations Pty Ltd and that NBH Holdco 2 Pty Ltd’s wholly owned subsidiaries are: NBH Holdco 1 Pty Ltd, NBH Car Park Operator Pty Ltd, and NBH Operator Co Pty Ltd.¹⁰⁹ The principal activity of this group is “the provision of healthcare and related services at the Northern Beaches Hospital.”¹¹⁰ It reports net loss after tax of nil in 2022 and 2023. The immediate group parent, Healthscope Operations Pty Ltd, does not file financial statements with ASIC. At the end of 2023, the net book value of this entity including buildings, plant and equipment was reported as \$268.8 million.¹¹¹ However, the current book value would be further depreciated from the end of 2023.

NBH HoldCo 2 Pty Ltd’s income statement shows that revenues and income of \$351.9 million and \$356.6 million in 2022 and 2023, respectively, were matched to expenses of the exact same amount eliminating any reported profit or loss (see image below).¹¹² By far, the largest reported expense was a “net management fee” of \$263.0 million and \$260.8 million in 2022 and 2023, respectively.



NBH HoldCo 2 Pty Ltd and its controlled entities

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

		For the year ended 31 Dec 2023	For the year ended 31 Dec 2022
	Note	\$'000s	\$'000s
Revenue from contracts with customers	1.1	347,040	335,763
Other income	1.2	9,526	16,172
		356,566	351,935
Net management fee	1.3	(260,808)	(263,025)
Medical and consumable supplies		(39,597)	(37,842)
Service costs		(13,391)	(9,847)
Prosthetics expenses		(26,424)	(25,095)
Occupancy costs		(2,518)	(1,986)
Depreciation and amortisation	7,8	(13,828)	(14,139)
Finance costs		-	(1)
		(356,566)	(351,935)
Profit / (loss) before income tax		-	-
Income tax benefit	2	-	-
Profit / (loss) for the year from continuing operations		-	-
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-
Profit / (Loss) for the year attributable to:			
Owners of parent		-	-
Non-controlling interest		-	-
		-	-
Total comprehensive income / (loss) attributable to:			
Owners of parent		-	-
Non-controlling interest		-	-
		-	-

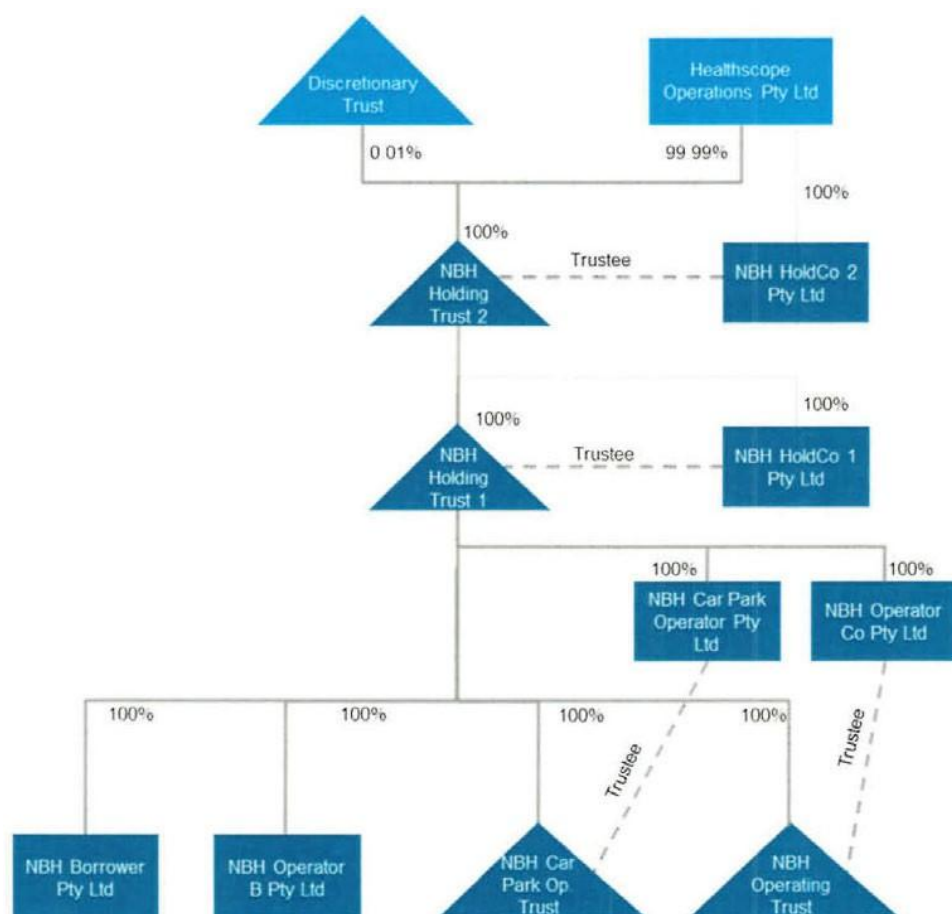
A footnote in a note to the financial statements explains that a “management services agreement is in place between NBH Operator Co. Pty Ltd as trustee for NBH Operating Trust and Healthscope Operations Pty Ltd. Healthscope Operations Pty Ltd incurs employee expenses and other costs in relation to the operation of the Northern Beaches Hospital. The Net Fee is payable by NBH Operating Trust to Healthscope Operations Pty Ltd for the provision of management services.”¹¹³

It is not clear how these related party payments flow through the complicated corporate structure or its implications, but what is clear is that this management fee dramatically reduces the reported income at this level of the structure. [REDACTED]

[REDACTED] Another note states that: “Unlike the corporate tax entities, which are tax paying entities, the trusts are not taxable entities.”¹¹⁴ NBH Holdco 2 Pty Ltd is part of the tax consolidated group headed by ANZ Hospitals Topco Pty Ltd.¹¹⁵ The lack of tax payments by the parent of the Australian Healthscope group is discussed above.

The list of subsidiaries for NBH Holdco 2 Pty Ltd states that NBH Holdco 1 Pty Ltd is trustee for NBH Holding Trust 1, NBH Holdco 2 Pty Ltd is trustee for NBH Holding Trust 2, NBH Operator Co Pty Ltd is trustee for NBH Operating Trust and NBH Car Park Operator Pty Ltd is trustee for NBH Car Park Operating Trust.¹¹⁶ As stated above, trusts are not taxable entities and no public information is available on the trusts.¹¹⁷ This structure was originally set up when the PPP contract was concluded in 2015, prior to Brookfield’s acquisition of Healthscope, but appears to be still in place (see chart below).¹¹⁸

Northern Beaches Hospital Operator Ownership Structure





What is the purpose of this structure for owning and operating the Northern Beaches Hospital?

The cash flow statement also reports “-” in profit (loss) for the period in cash flows from operating activities for both years, despite annual revenues of over \$350 million.¹¹⁹ The notes to the financial statements break down the revenue further and indicate that the bulk of revenue comes directly from the NSW government. In 2023 total revenue from customers was \$347 million of which \$183.7 million (53%) came from public patients and \$163.3 million from private patients.¹²⁰ Revenue from private patients also benefits from major government subsidies to the private health insurance industry (see below). While no government grants were reported in 2023, in 2022 more than \$7.7 million was received in direct government grants.¹²¹ Government grants were likely significantly higher in previous years following the COVID-19 pandemic.

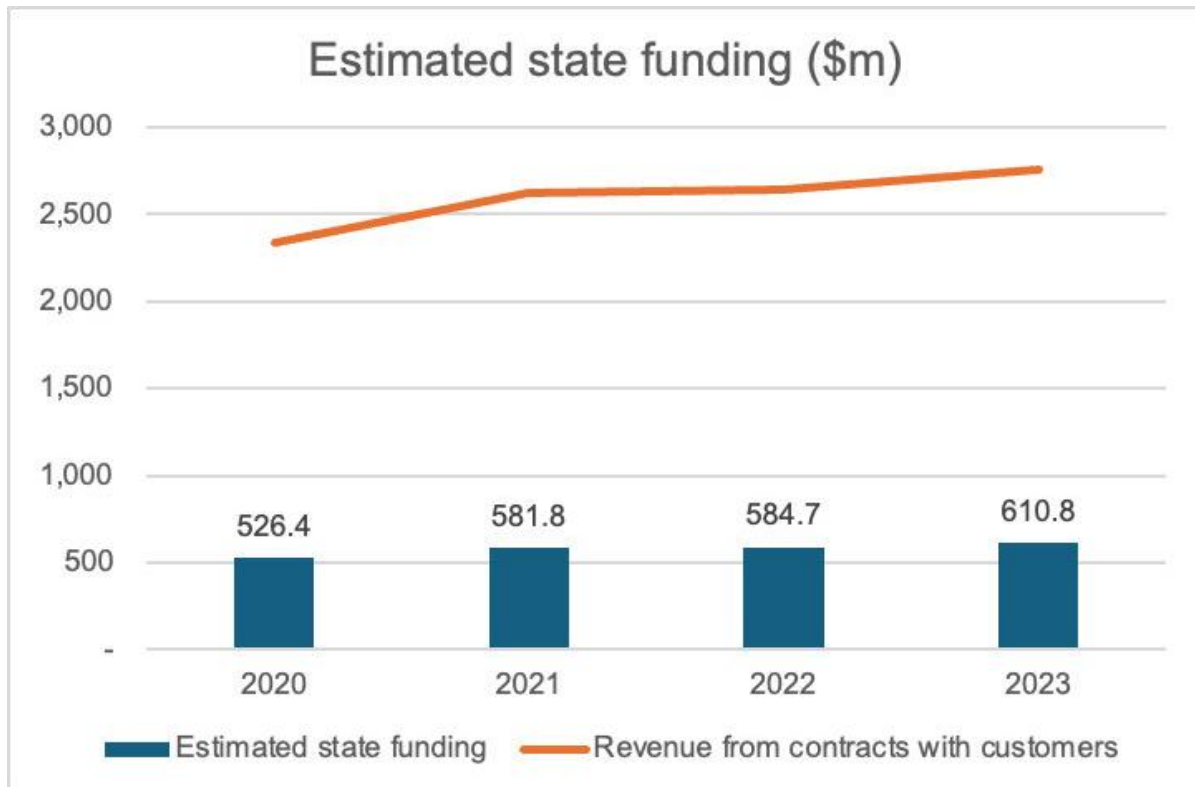
Additionally, the statement of financial position reports a loan from related parties at \$283.1 million and \$280.8 million in 2022 and 2023, respectively.¹²² It is later explained that this debt is with Healthscope Operations Pty Ltd “to finance the development of Northern Beaches Hospital (Project Finance) via the drawdown of an established corporate debt facility.”¹²³ It is further explained that this group is part of the “Topco Group” whose “financing facilities (as of 31 December 2023) comprised a \$1,606 million term loan facility expiring in June 2027 (“Facilities”).”¹²⁴ This filing states that before the end of 2023, the Topco Group had “commenced discussions with its lenders (and other stakeholders) regarding a restructure... in order to mitigate the ongoing risks to the Topco Group, including in relation to any potential breaches of its Facilities.”¹²⁵

Key Revenue Source: Indirect Government Subsidies

Since coming under Brookfield’s ownership, Healthscope’s revenue has increased by 18%, from \$2,333 million in 2020¹²⁶ to \$2,759 million in 2023.¹²⁷ This increase in revenue is despite a reduction in the number of hospitals operated as several had been closed. As a non-listed company there is limited public information about its sources of revenue, however it has been reported that 90% of revenue from private hospital operations comes from private health insurance.¹²⁸ In 2021-22, rebates for private health insurance paid by the Australian Government were \$6.3 billion, down from the previous year.¹²⁹ Much of this government subsidy is transferred to private hospital operators, including Healthscope.

While the health insurance rebate has reduced over time,¹³⁰ it can be used to estimate the level of Healthscope’s state funding embedded in private insurance payments.¹³¹ Each year of Brookfield’s ownership this estimated amount has been more than half a billion dollars, reaching an estimated \$610.8 million in 2023. Total estimated indirect state funding from the private health insurance rebate over the four years from 2020 to 2023 came to \$2,303.7 million, or 22.2 percent of total revenue over that period.

Estimated Federal Government Funding from Private Health Insurance Subsidies



[REDACTED]. Government estimates indicate that Medicare has subsidised fees by \$3.8 billion in 2023-24 for patients in private and public hospitals.¹³² Healthscope and other private hospital companies also received a significant increase in payments from the federal government over the years of the COVID-19 pandemic. For private hospitals as a whole, the Australian Institute of Health and Welfare estimates that in 2022-23 that 35% of funding (\$7.6 billion) came from the Australian Government and 1.2% (\$256 million) came from state and territory governments.¹³³

Healthscope has received hundreds of millions in payments for providing public health services at the Northern Beaches Hospital and at other hospitals. [REDACTED]

[REDACTED]. Leasing of private hospitals from state and territory governments, at low or no cost, represents another substantial area of direct government subsidies.

Conclusion and Recommendations

The conflict between the demands of private profit and public health means that the safety and quality of health services provided at Northern Beaches Hospital cannot be guaranteed. The experience of partial or complete closures at multiple hospitals across Australia, such as

the recent disruptive closure of private maternity services in Darwin and Hobart, shows that Healthscope and Brookfield have no long-term interest in the provision of healthcare to Australian communities. Brookfield's primary focus is driving short-term returns for investors in its funds and for its shareholders, and we are concerned that Brookfield and other private equity firms have no regard for the long-term financial health of its portfolio businesses, let alone the health and welfare of the communities where it operates.

Analysis of Brookfield and Healthscope's finances, including 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.

In the wake of previous hospital and service closures by Healthscope, Federal and State governments have been forced to step in. Rather than wait for more private equity-controlled hospitals to collapse, the NSW Government should work with other Australian governments to further examine the financial situation of Healthscope's entire portfolio.

In this regard, we recommend that:

1. The NSW Government should take this opportunity to expand the state's network of public hospitals, in doing so expanding its capacity to deliver healthcare services. Given the collapse in the value of Healthscope - and its lease liabilities, which are currently going unpaid - the NSW Government has an opportunity to acquire at low cost these existing hospitals and bring them into the public system. As has been widely reported, Healthscope's debt has been trading at 40-50 cents on the dollar. A forced public takeover of Healthscope's operations would be, by far, the cheapest way to expand much strained public health services and capacity.
2. At the same time, the NSW Government should also collaborate with state, territory and federal governments for a nationally-coordinated approach to maximise the best possible deal and ensure that no further subsidies are provided to Brookfield, beyond any minimum legal requirements.
3. We further recommend that Brookfield should be required to detail the direct ownership stakes of CDPQ and any other investors in Healthscope. Given the major public support from Federal, State and Territory governments, the public has a right to know who has benefited from the private equity playbook.
4. Likewise, Brookfield must be required to publicly disclose Healthscope's full corporate structure in Australia, provide financial statements for each entity and explain all related party transactions and impacts on profits, losses and operations.
5. Furthermore, there should be an immediate inquiry into the health and viability of Brookfield-owned GenesisCare and thorough review of any other current private equity ownership in the health and care sectors that are heavily reliant on public funding. Any future private equity investments in health and care sectors should be



In conclusion, we strongly recommend that the NSW government not only take immediate control of the NBH public hospital, but also the NBH private hospital to ensure quality and integrity of health care services and a cost effective means of expanding public health capacity in NSW. Furthermore the possibility of shifting Healthscope's Prince of Wales Private Hospital back into the public sector should be explored.



²⁴ “‘Distressing and uncertain’: Healthscope to close Ivanhoe rehab centre”, Herald Sun, 21 February 2025

■ [REDACTED]

²⁶ Rusty Woodger, “Pledge to start work on women’s, kids’ hospital”, Geelong Advertiser, 17 November 2018

²⁷ Leon Compton, “Hobart Private Hospital ward closure increasing pressures in public sector: Government”, ABC News, 10 October 2018

²⁸ Nick Lenaghan, “Canadians step up health investment”, Australian Financial Review, 13 May 2019, p31

²⁹ Jemima Whyte and Carrie LaFrenz, “Dwyer caught in ‘imperfect storm’”, Australian Financial Review, 27 October 2018

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

³² Mc Dowell Ramintas, “Report: Healthscope’s A\$1B property trust attracts Charter Hall, Northwest REIT”, SNL Real Estate Daily: Asia-Pacific Edition, 31 October 2018

³³ James Thomson, “Healthscope deal not all about money”, 1 April 2025, Australian Financial Review, p36

³⁴ ACCC not to oppose Healthscope’s proposed acquisition of 14 hospitals from Ramsay, 28 September 2005, <https://www.accc.gov.au/media-release/accc-not-to-oppose-healthscopes-proposed-acquisition-of-14-hospitals-from-ramsay>

³⁵ “Northern Beaches Hospital officially opened, PH News, <https://phnews.org.au/northern-beaches-hospital-officially-opened/>

³⁶ Project Deed, Northern Beaches Hospital, <https://www.treasury.nsw.gov.au/sites/default/files/2023-08/202308-nbh-project-deed.pdf>

³⁷ Gold Coast Hospital and Health Service, Annual report 2023-24, p27, available at <https://www.goldcoast.health.qld.gov.au/about-us/publications/annual-report>

³⁸ Gold Coast Hospital and Health Service, Annual report 2023-24, p12, available at <https://www.goldcoast.health.qld.gov.au/about-us/publications/annual-report>

³⁹ \$1.2 Billion Australian Hospital Portfolio Acquisition, NorthWest Healthcare Properties, January 31, 2019, <https://cms.nwhreit.com/wp-content/uploads/2022/08/HSO-Portfolio-Acquisition-Investor-Presentation.pdf>

⁴⁰ Australasia portfolio, NorthWest Healthcare Properties, <https://www.nwhreit.com/portfolio/property-search?region=Australasia>

⁴¹ Khadija Sharife, “How Private Equity and an Ambitious Landlord Put Steward Health Care on Life Support”, OCCRP and The Boston Globe investigation, October 9, 2024, <https://www.occrp.org/en/investigation/how-private-equity-and-an-ambitious-landlord-put-steward-healthcare-on-life-support>

⁴² Marc Pallisco, “HMC snares \$1.2b hospital portfolio”, [Realestatesource.com.au](https://www.realestatesource.com.au/hmc-snares-1-2b-hospital-portfolio/), March 29, 2023, <https://www.realestatesource.com.au/hmc-snares-1-2b-hospital-portfolio/>

⁴³ HealthCo Healthcare & Wellness REIT Portfolio Summary FY 24, available at <https://www.hmccapital.com.au/investment-strategies/real-estate/healthco-healthcare-wellness-reit/>

⁴⁴ [https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Annual-Reports/2024/2024%20-%20Updated/2024 BN Annual Report vF.pdf](https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Annual-Reports/2024/2024%20-%20Updated/2024%20BN%20Annual%20Report%20vF.pdf) pp.173-174.

⁴⁵ Ibid.

⁴⁶ <https://cictar.org/news/media-coverage-brookfield> ; <https://michaelwest.com.au/house-of-cards-is-brookfield-the-next-babcock-brown/> ; <https://michaelwest.com.au/bpih-pty-ltd/>

⁴⁷ <https://cictar.org/all-research/brookfield-canadas-largest>

⁴⁸

<https://tisegroup.com/umbraco/surface/proxyapi/newspdf?id=346987&name=Stork%20Holdings%20Ltd> (see pages 27 & 32).

⁴⁹ Ibid.

⁵⁰ <https://www.corporatedisclosures.org/content/top-stories/record-shareholder-support-for-tax-transparency-at-brookfield.html>



- ⁵¹ <https://www.ato.gov.au/businesses-and-organisations/corporate-tax-measures-and-assurance/large-business/public-country-by-country-reporting>
- ⁵² <https://cictar.org/all-research/isagen/eng> ; <https://cictar.org/all-research/kindergartens-norway>
- ⁵³ AusNet is “privately owned by Australian Energy Holdings No. 4 Pty Limited, a company controlled by Brookfield Asset Management.” <https://www.ausnetservices.com.au/about-us/who-we-are>
- ⁵⁴ <https://www.afr.com/companies/energy/australiansuper-rejects-brookfield-attempt-to-buy-more-time-on-origin-20231123-p5em6j>
- ⁵⁵ <https://www.latrobefinancial.com.au/about-us/>
- ⁵⁶ <https://cictar.org/news/cbc/markcarney>
- ⁵⁷ <https://www.bbc.com/news/articles/c3911lv1pzko>
- ⁵⁸ <https://www.ft.com/content/6e070b14-74cc-4ade-bd80-7bd3900c6a82>
- ⁵⁹ <https://privatehealthcareaustralia.org.au/healthscope-accused-of-unethical-new-low-to-extort-money-from-australians-with-health-insurance/> ; <https://www.bloomberg.com/news/articles/2025-03-05/brookfield-explodes-using-insurance-arm-to-adopt-berkshire-model>
- ⁶⁰ <https://www.bloomberg.com/news/articles/2025-05-09/fired-brookfield-vc-head-says-firm-asked-him-to-lie-to-investors>
- ⁶¹ Ibid.
- ⁶² <https://www.theaustralian.com.au/business/dataroom/scape-enters-exclusive-talks-to-buy-brookfields-aveo-with-3bnplus-offer/news-story/209a4294fae2042dd986826a86371d16> ; <https://www.afr.com/street-talk/we-have-a-winner-brookfield-grants-exclusivity-for-3b-aveo-20250410-p5lqq8> ; <https://www.theweeklysourc.com.au/acquisitions/aveo-liquidates-sa-selling-13-retirement-villages>
- ⁶³ <https://michaelwest.com.au/aveos-billions-behind-the-impenetrable-aged-care-empire/> ; <https://michaelwest.com.au/brookfields-aveo-takeover-australias-loss-and-bermudas-gain/> ; <https://michaelwest.com.au/australian-nursing-homes-off-to-bermuda-as-brookfield-swallows-aveo/> ; <https://www.afr.com/property/commercial/lendlease-reveals-liability-risk-from-pwc-advised-260m-tax-scheme-20240219-p5f5zn> ; <https://michaelwest.com.au/lend-lease-double-dipping-and-dutch-tripping/>
- ⁶⁴ <https://www.afr.com/street-talk/oaktree-capital-kicks-off-debt-process-for-genescare-in-australia-20250410-p5lqsg>
- [REDACTED]
- ⁶⁶ <https://eqtgroup.com/about/current-portfolio/icon-group>
- ⁶⁷ Eryk Bagshaw and Colin Kruger, 8 May 2019, *Sydney Morning Herald*, “Labor backed \$1.7b hospital deal with tax-haven link”. <https://www.smh.com.au/federal-election-2019/labor-backed-1-7b-hospital-deal-with-tax-haven-link-20190507-p51kwi.html>
- ⁶⁸ ANZ Hospitals Topco Pty Ltd and its controlled entities, General Purpose (Simplified Disclosures) financial report for the year ended 31 December 2023, p3
- ⁶⁹ <https://lei.report/LEI/984500E3T69BB6F0D472>
- ⁷⁰ Joshua E. Keating, 24 January 2012, *Foreign Policy*, “House of 19,000 Corporations”. <https://foreignpolicy.com/2012/01/24/house-of-19000-corporations/> ; more recent accounts put the current number of entities registered at Uglund House to 40,000.
- ⁷¹ <https://www.cdpq.com/en/news/pressreleases/cdpq-closes-investment-australian-private-hospital-operator-healthscope>
- ⁷² <https://cictar.org/all-research/care/cppib> ; <https://cictar.org/all-research/orpea-en> ; <https://cictar.org/all-research/uk-care-homes-shifting-profits>
- ⁷³ <https://www.infrastructureinvestor.com/cdpq-to-double-exposure-to-australia-and-nz-by-2030/>
- ⁷⁴ Ibid.
- ⁷⁵ <https://cictar.org/all-research/dp-world-taxes-australia?rq=DP%20World>
- ⁷⁶ <https://michaelwest.com.au/corporate-tax-avoidance-who-helps-fund-australia-and-who-doesnt/>
- ⁷⁷ <https://bbu.brookfield.com/reports-filings/letters-unitholders/q2-2019-letter-to-unitholders>
- ⁷⁸ Ibid.
- ⁷⁹ Brookfield Business Partners L.P., Form 20-F Annual Report for the for the fiscal year ended December 31, 2024, p.70 https://otp.tools.investis.com/clients/us/brook_bbu/SEC/sec-show.aspx?Type=html&FilingId=18358995&CIK=0001654795&Index=10000
- ⁸⁰ Ibid.
- ⁸¹ Ibid, p.86.
- ⁸² Ibid, p.87.



- ⁸³ <https://nzsuperfund.nz/news-and-media/healthscope-sells-new-zealand-pathology-business-aphg-to-nz-super-fund-and-ontario-teachers-pension-plan/>
- ⁸⁴ Brookfield Business Partners L.P., Form 20-F Annual Report for the for the fiscal year ended December 31, 2024, p.77
- ⁸⁵ Brookfield Business Partners L.P., Form 20-F Annual Report for the for the fiscal year ended December 31, 2024, p.60
- ⁸⁶ Ibid, p74
- ⁸⁷ For example: <https://www.theaustralian.com.au/business/companies/crisis-at-healthscope-hospitals-down-to-canadian-investment-giant-brookfields-strategy/news-story/fc5d09ee366ff653a4653705b6cce256>
- ⁸⁸ Brookfield Business Partners L.P., Form 20-F Annual Report for the for the fiscal year ended December 31, 2024, p27
- ⁸⁹ Ibid, p69
- ⁹⁰ ANZ Hospitals Topco Pty Ltd and its controlled entities, General Purpose (Simplified Disclosures) financial report for the year ended 31 December 2023, p5
- ⁹¹ Ibid.
- ⁹² <https://www.themercury.com.au/news/tasmania/former-st-helens-private-hospital-finally-sold-but-details-confidential-for-now/news-story/dd0ccac7b86244aa1c62be0fa48e4377>
- ⁹³ ANZ Hospital Topco Pty Ltd, 2023 financial statements, p5
- ⁹⁴ ANZ Hospital Topco Pty Ltd, 2023 financial statements, p8
- ⁹⁵ Ibid.
- ⁹⁶ ANZ Hospital Topco Pty Ltd, 2023 financial statements, p26
- ⁹⁷ <https://data.gov.au/data/dataset/corporate-transparency/resource/3281f733-6f53-431b-84f5-d824c6bd9e60>
- ⁹⁸ Ibid.
- ⁹⁹ Ibid.
- ¹⁰⁰ ANZ Hospitals Topco Pty Ltd, 2021 financial statements, p20
- ¹⁰¹ ANZ Hospitals Topco Pty Ltd, 2022 financial statements, p18
- ¹⁰² Ibid, p5 & 15
- ¹⁰³ ANZ Hospital Topco Pty Ltd, 2023 financial statements, p16
- ¹⁰⁴ <https://www.infotax.media/report>
- ¹⁰⁵ <https://www.brookfield.com/about-us/leadership/sophia-rihani>
- ¹⁰⁶ <https://www.insolvencyaustralia.com.au/listing/jon-howarth/> ; <https://asadvisory.com.au/about/>
- ¹⁰⁷ ANZ Hospital Topco Pty Ltd, 2023 financial statements, p36
- ¹⁰⁸ Ibid.
- ¹⁰⁹ NBH Holdco 2 Pty Ltd and its controlled entities, General purpose (simplified disclosures) financial report for the year ended 31 December 2023, p3
- ¹¹⁰ Ibid.
- ¹¹¹ Ibid, p16
- ¹¹² Ibid, p6
- ¹¹³ Ibid, p13
- ¹¹⁴ Ibid, p14
- ¹¹⁵ Ibid.
- ¹¹⁶ Ibid, p20
- ¹¹⁷ The Trustee for NBH Holding Trust 1 <https://abr.business.gov.au/ABN/View?abn=66770466220> ; The Trustee for NBH Holding Trust 2 <https://abr.business.gov.au/ABN/View?id=34608019819> ; The Trustee for NBH Operating Trust <https://abr.business.gov.au/ABN/View/83722380020> ; The Trustee for NBH Car Park Operating Trust <https://abr.business.gov.au/ABN/View?id=96893506067>
- ¹¹⁸ <https://www.treasury.nsw.gov.au/sites/default/files/2023-08/202308-nbh-contract-summary.pdf>; see chart on p15
- ¹¹⁹ NBH Holdco 2 Pty Ltd, 2023 financial statements, p9 & p6
- ¹²⁰ Ibid, p13
- ¹²¹ Ibid.
- ¹²² Ibid, p7



¹²³ Ibid, p11

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ ANZ Hospital Topco Pty Ltd, 2021 financial statements, p7

¹²⁷ ANZ Hospital Topco Pty Ltd, 2023 financial statements, p8

¹²⁸ See e.g. <https://www.theaustralian.com.au/business/companies/crisis-at-healthscope-hospitals-down-to-canadian-investment-giant-brookfields-strategy/news-story/fc5d09ee366ff653a4653705b6cce256>

¹²⁹ <https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2021-22/contents/spending-trends-by-sources/government-sources-australian-government-spending#private>

¹³⁰ For a helpful history of the rebate, see <https://theconversation.com/the-private-health-insurance-rebate-has-cost-taxpayers-100-billion-and-only-benefits-some-should-we-scrap-it-181264>

¹³¹ Rebates are determined by income and age, with higher income earners receive lower rebates and over-65s and over-70s enjoy higher rebates. Without demographic information on Healthscope's customer base, we have used the under-65 base rebate rate here. <https://www.ato.gov.au/individuals-and-families/medicare-and-private-health-insurance/private-health-insurance-rebate/income-thresholds-and-rates-for-the-private-health-insurance-rebate>

¹³² <https://theconversation.com/are-private-hospitals-really-in-trouble-and-is-more-public-funding-the-answer-238891>

¹³³ <https://www.aihw.gov.au/hospitals/overview/hospitals-at-a-glance>