

Senate Committee: Community Affairs Committee
Supplementary Budget Estimates 2025-2026
Outcome: 2 - Individual Health Benefits

Healthscope

KEY POINTS

s22



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By the Department of Health, Disability and Ageing

Contact Officer:	Brian Kelleher	Deputy Secretary	Celia Street	Clearance: 02 October
		Clearing Officer:		2025
Mobile No:	s22	Mobile No:	s22	
Division:	Strategy & First Nations Health Systems Strategy			

s22

Healthscope not-for-profit entity proposal

- The department is aware the receivers are exploring the potential transfer of some or all Healthscope hospitals to a new not-for-profit entity it is working on establishing.
- The department continues to engage with Healthscope and receivers on its planning.
- The department respects the roles of the receivers and the regulators such as the Australian Charities and Not-for-profits Commission that are involved in the application and assessment processes and will not speculate on what may or may not occur.

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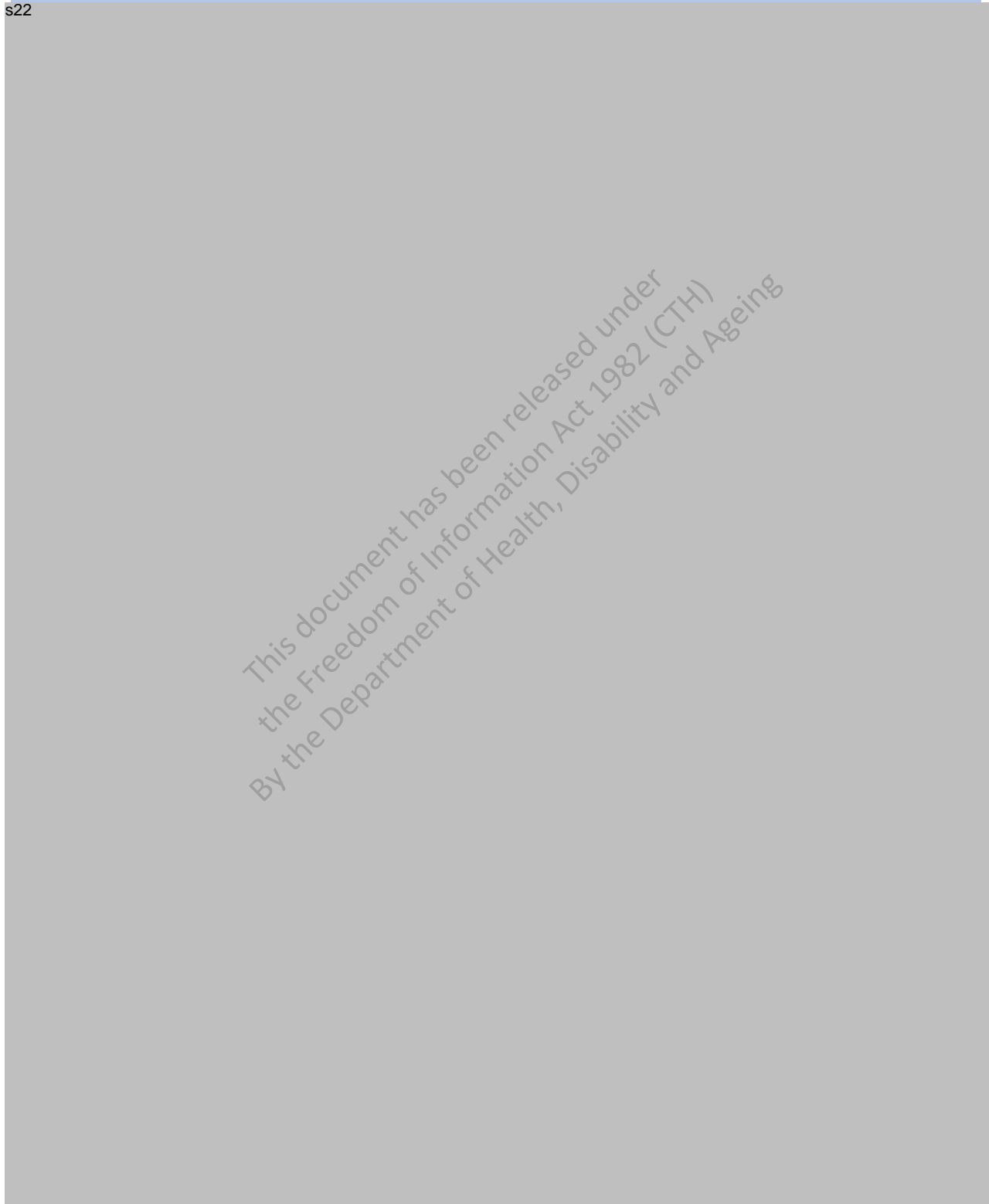
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Senate Committee: Community Affairs Committee
Supplementary Budget Estimates 2025-2026
Outcome: 2 - Individual Health Benefits

Healthscope

KEY POINTS

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Contact Officer:	Brian Kelleher	Deputy Secretary	Celia Street	Clearance: 26 November
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Division:	Strategy & First Nations Health Systems Strategy			

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Healthscope not-for-profit entity proposal

- As part of the sale process, the department is aware the receivers are exploring the potential transfer of some or all Healthscope hospitals to a new not-for-profit entity it is working on establishing.
- Issues on policy and regulatory matters concerning not-for-profit entities are matters for the Treasury and the Australian Charities and Not-for-profits Commission.
- The department respects the roles of the receivers and the Commonwealth and state and territory regulators involved in the application and assessment processes concerning the establishment of charities (not-for-profit and tax and other exemptions).

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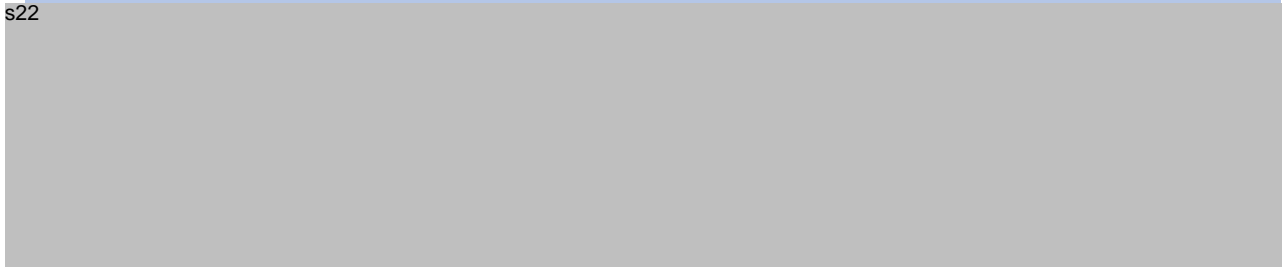
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Senate Committee: Community Affairs Committee
Additional Budget Estimates 2025-2026
Outcome: 2 - Individual Health Benefits

Healthscope

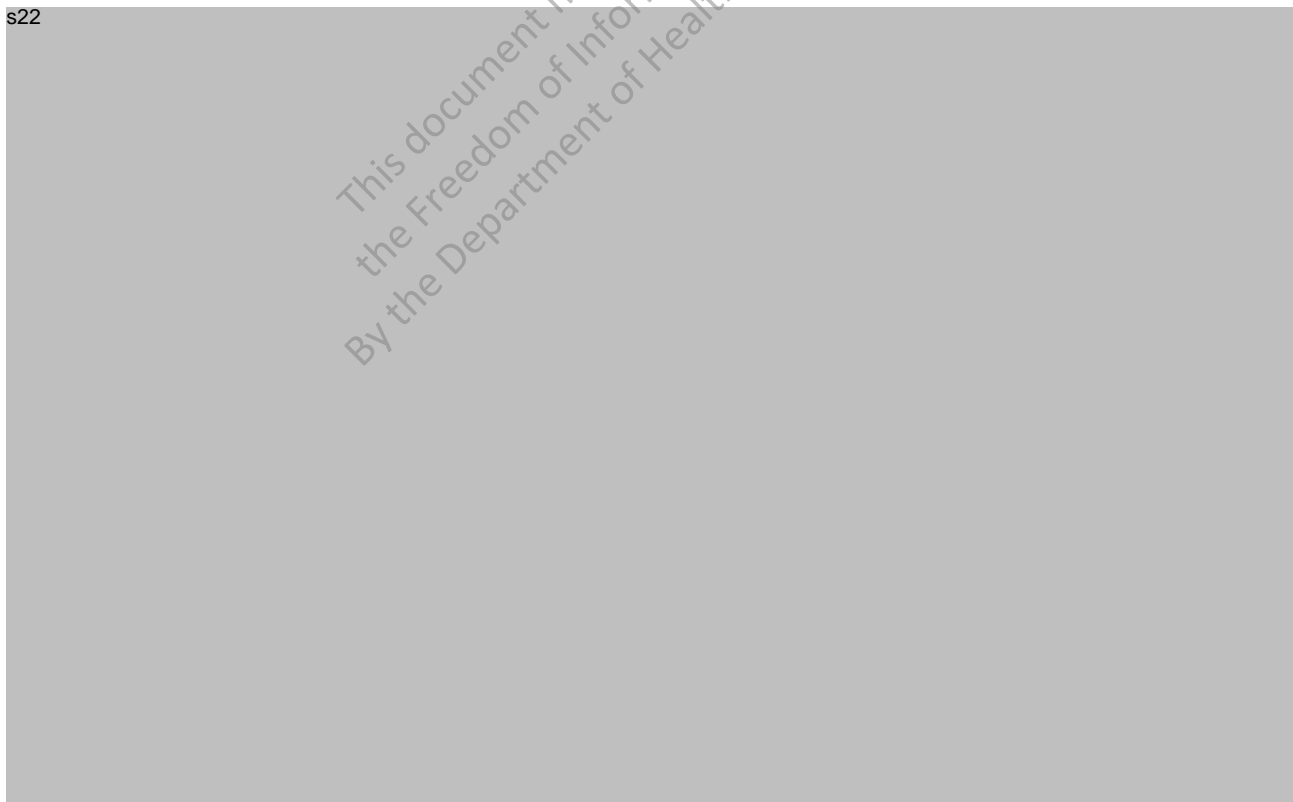
KEY POINTS

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- On 6 February 2026, the Minister acknowledged the Receivers', McGrathNicol, announcement that it was pursuing a plan to create a not-for-profit organisation to operate the 31 remaining Healthscope hospitals that are unsold.
- McGrathNicol's media release of 6 February 2026, notes further work is required to develop and implement its plan over the coming months, including:
 - progressing regulatory applications,
 - establishing governance arrangements, and
 - securing the support of all key stakeholders including landlords and private health insurers.

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Contact Officer:	Brian Kelleher	Deputy Secretary	Celia Street	Clearance: 10 February 2026
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By the Department of Health, Disability and Ageing

Healthscope not-for-profit entity proposal

- The department is aware the receivers are pursuing a strategy to establish a not-for-profit organisation to operate the remaining 31 hospitals in the Healthscope portfolio.
- The receivers are engaging with relevant stakeholders to secure their support for the establishment of the not-for-profit organisation.
- The department continues to monitor this matter closely.
- The department respects the roles of the receivers and the regulators such as the Australian Charities and Not-for-profits Commission that were involved in the application and assessment processes.

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By the Department of Health, Disability and Ageing

From: s47F
To: s22 [KELLEHER, Brian](#); [STREET, Celia](#); s47F
Cc: s47F; [RAVEN, Anthea](#); s22
Subject: RE: DHDA & McGrathNicol - Healthscope catch up [SEC=OFFICIAL]
Date: Friday, 6 February 2026 12:04:35 PM
Attachments: [image001.jpg](#),
[image002.png](#),
[image003.png](#),
[image004.png](#),
[260206-ANZHGR001-Primary Media Release-McN.pdf](#)

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Hi All
 Thanks for the discussion, please see attached media release.

s47F
 Director | McGrathNicol
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 Level 38, 2 The Esplanade, Perth WA 6000



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-----Original Appointment-----
From: s22 @Health.gov.au>
Sent: 6 12:37 PM
To: s22 ELLEHER, Brian; STREET, Celia; s47F
Cc: s47F; s47F; RAVEN, Anthea; s22
Subject: DHDA & McGrathNicol - Healthscope catch up [SEC=OFFICIAL]
When: Friday, 6 February 2026 11:30 AM-12:00 PM (UTC+10:00) Canberra, Melbourne, Sydney.
Where: Microsoft Teams Meeting

EXTERNAL SENDER

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Microsoft Teams meeting

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Meeting ID: 474 253 129 216 06

Passcode: 4Lk64WD6

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McGrathNicol

6 February 2026

MEDIA RELEASE

Plan for Healthscope Hospitals

The Receivers of Healthscope McGrathNicol Restructuring are pleased to announce a comprehensive plan to secure the future for all Healthscope hospitals, providing clarity of direction and reassurance to Healthscope patients, employees and local communities around Australia.

After careful assessment, the plan includes:

- The creation of a new not-for-profit organisation to operate 31 hospitals.
- The sale and transfer of operations of five hospitals to well established and respected hospital operators.
- The transfer of operations of Northern Beaches Hospital to the NSW Government.

The plan offers an opportunity for all hospitals to avoid closure, providing continuity of care and job certainty for over 18,000 hospital workers.

Not for Profit Portfolio

Healthscope's lenders have rejected an offer for the Prince of Wales Private Hospital in favour of supporting a holistic solution to transition the operation of 31 Healthscope hospitals, including Prince of Wales, to a new, not-for-profit organisation. This organisation would be the largest not-for-profit private hospital operator in Australia, providing stability to Australia's hospital system.

The transition of this significant portfolio of hospitals to a well-capitalised not-for-profit organisation, operating in accordance with its care-focused charitable purpose, would support the long-term sustainability of the private health sector in Australia, taking pressure off the public health system.

The non-denominational charitable structure will ensure surpluses are reinvested back into hospitals to support excellent patient care and choice, employee engagement and wellbeing, and the continued provision of market leading healthcare services.

The plan has broad support across the Healthscope workforce with the vast majority of employees already having voted to share salary packaging benefits in order to support the viability of the new organisation. All hospital employees transitioning to the new organisation will enjoy continuity of employment and full recognition of service and their existing terms and conditions.

The Australian Charities and Not-For-Profit Commission (ACNC) approved an application to register not-for-profit entities associated with the plan as charities in October 2025. Related regulatory applications to support the new organisation are well progressed, with relevant approvals already secured across most states.

The plan includes the appointment of well credentialed independent directors over the coming months to oversee the establishment of the new organisation and to provide ongoing clinical and purpose-focused governance.

Sale Portfolio

Agreements have also been reached for the sale and transfer of operations for the following five Healthscope hospitals to well established and respected hospital operators:

- Ramsay Health for National Capital Private Hospital in Canberra.
- Calvary Health for Hobart Private Hospital and Holmesglen Private Hospital in Melbourne.
- Mater Health for Gold Coast Private Hospital.



McGrathNicol

- Day Hospital Partners for Tweed Day Surgery (completed in October 2025).

As has already been announced, the Receivers have agreed arrangements with the NSW Government for the transition of the Northern Beaches Hospital in Sydney to public ownership.

Each agreement provides for the continuity of employment and service for employees at each hospital.

Next steps

The Receivers have written to key landlords to invite further discussions in good faith, where necessary, to reset existing arrangements to market. The Receivers are confident of securing the support of all key stakeholders, including landlords and private health insurers, as the best holistic solution for the industry, patient wellbeing and the best option for their respective organisations.

It is expected that the new not-for-profit organisation will be operational by mid 2026.

McGrathNicol Restructuring thanks all Healthscope staff and management for their ongoing commitment to providing outstanding health services and care to patients across Australia.

Comments attributable to Keith Crawford (on behalf of the Receivers & Managers)

"We are pleased we can now provide a clear direction to Healthscope patients, employees and communities about the future of their local hospitals."

"This has been a complex process involving a large number of assets across multiple jurisdictions, and detailed negotiations with many stakeholders."

"We believe the plan announced today for the Healthscope portfolio is in the best interests of all stakeholders, preventing hospital closures and protecting jobs."

"We look forward to continuing to work with the Healthscope team and key stakeholders to ensure the successful implementation of the plan in the interests of patients, employees and the Australian community".

Comments attributable to Tino La Spina (Healthscope CEO)

"This is a transformative day for our people, our doctors, our patients and the Australian healthcare sector. Our whole organisation has been galvanised by the idea of transforming Healthscope into Australia's largest not-for-profit hospital operator, reinvesting surpluses back into our hospitals and people to continually improve patient care."

"I want to thank our teams and our doctors for their support through what has been a challenging period, and I look forward to the exciting journey we'll take together. I also want to thank Healthscope's lenders for backing the For Purpose plan."

Media enquiries

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