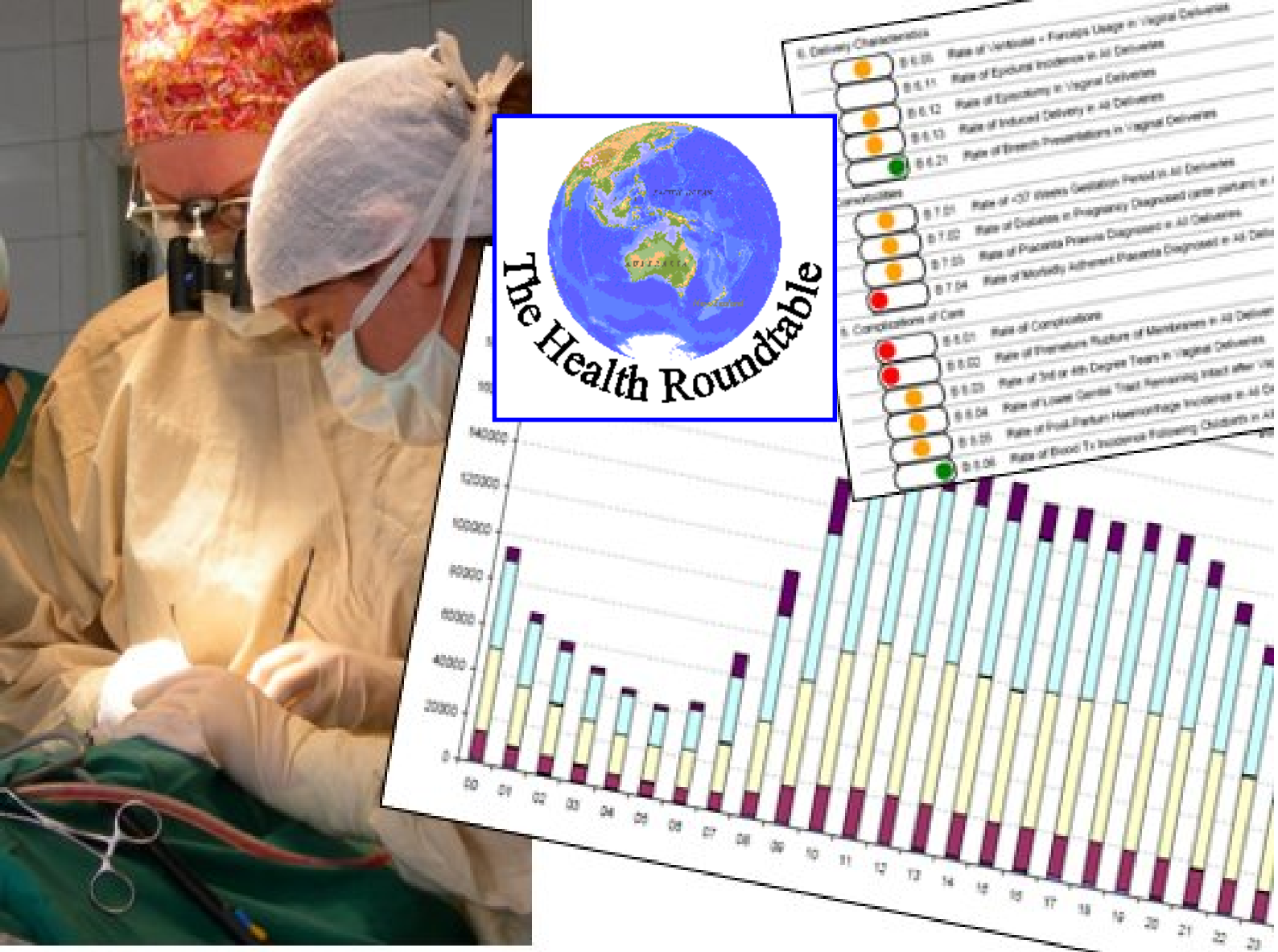
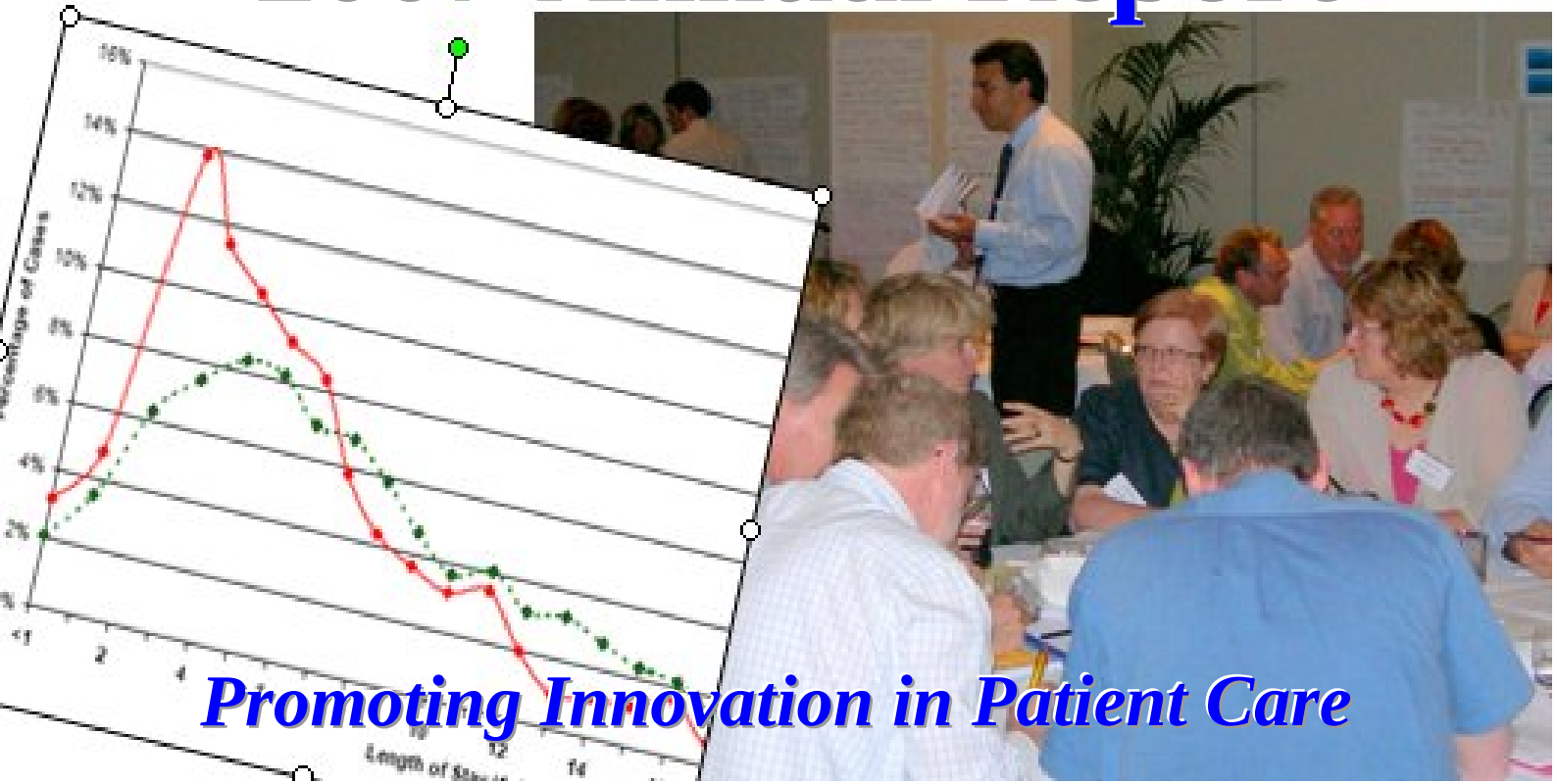


The Health Roundtable Limited

2007 Annual Report



Promoting Innovation in Patient Care

THE HEALTH ROUNDTABLE LIMITED

ACN 071 387 436
ABN 71 071 387 436

DIRECTORS' REPORT FOR 2007

Your directors submit the financial accounts of the Company for the calendar year ending 31 December 2007

DIRECTORS

The names of directors in office at the date of this report are:

Kaye Challinger	Jeff Hollywood
Jennifer Williams	Mark Platell
Kerry Stubbs	Craig White
John O'Donnell	Amanda Ling
Michael Szwarcbord	Vivian Blake

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were:

- to provide opportunities for health executives to learn how to achieve best practice in their organisations
- to collect, analyse and publish information comparing organisations and identifying ways to improve operational practices
- to promote interstate and international collaboration and networking among health organisation executives

The Health Roundtable focuses on sharing innovations in patient care amongst its members so that they can treat additional patients and continue to improve the quality of patient care.

OPERATING RESULTS

The Health Roundtable continued to operate on a sound financial basis in 2007, with income and expenses arising as planned.

The Health Roundtable Limited recorded a surplus of $51,942 for the financial year ending in December 2007. This represents 3.1% of operating income during the year. The accumulated surplus in the Company increased to $152,493 as of the end of the financial year.

The surplus in 2007 was generated primarily by an increase in corporate sponsorship income and higher interest earnings. The Board has allocated portions of the accumulated surplus to be used in June 2008 to subsidise member participation in the "Lessons Learnt" workshops, and to fund a strategic planning process to prepare the organisation for the future. The overall financial strategy of the Board is to maintain a surplus of approximately $100,000 to provide a buffer to cover monthly fluctuations in income and expenses. The Health Roundtable makes no provision for income tax, as the company is exempt from income taxation.

REVIEW OF OPERATIONS

November 2007 marked the 12th anniversary of the founding of The Health Roundtable, which held its first meeting in November 1995 with seven public hospitals represented. By the end of 2007, the number of member organisations had grown to 40 public health service organisations which encompassed 80 separate public hospital facilities. These organisations represent over 40% of public hospital activity in Australia and New Zealand.

John Hunter	NSW	Austin Health	VIC
Northern Sydney CCAHS (6)	NSW	Barwon Health	VIC
Prince of Wales	NSW	Bayside Health (2)	VIC
St George (2)	NSW	Eastern Health (3)	VIC
St Vincents (Sydney)	NSW	Melbourne Health	VIC
Southern Network (3)	NSW	Northern Health	VIC
Sydney West (4)	NSW	Royal Women's (Melbourne)	VIC
Auckland City DHB	NZ	Southern Health (3)	VIC
Canterbury Health DHB	NZ	St Vincents Health (Melbourne)	VIC
Capital & Coast DHB	NZ	Western Health	VIC
Counties Manukau DHB	NZ	Fremantle	WA
Otago DHB	NZ	Rockingham Peel	WA
Northland DHB	NZ	Royal Perth	WA
Health Waikato DHB (4)	NZ	Sir Charles Gairdner Group (5)	WA
Waitemata DHB	NZ	The Canberra Hospital	ACT
Gold Coast	QLD	Northern Territory Health (5)	NT
Mater Health Brisbane (3)	QLD	Central Northern Adelaide (5)	SA
Northside DHB (3)	QLD	Southern Adelaide (2)	SA
Princess Alexandra	QLD	Royal Hobart	TAS
Royal Brisbane & Womens	QLD	**Regional Health Improvement Network (8)**	
Townsville	QLD		

() indicates number of separate facilities reported

One of the organisational members of The Health Roundtable is a collaborative group of regional hospitals which has formed the Regional Health Improvement Network (RHIN). RHIN has access to methodologies developed by The Health Roundtable, but conducts its own separate benchmarking activities.

During 2007, the Board of Directors approved the organisational membership applications of Northern Sydney Central Coast Area Health Service, Northland District Health Board (NZ), Rockingham Peel Group (WA), and Western Health (VIC).

The Constitution of The Health Roundtable delineates separate roles for Organisational and Personal members. Organisational Membership is open to publicly-funded health service organisations. Personal Membership is offered to a senior executive within an Organisational Member. Voting rights on issues affecting the operation of The Health Roundtable are vested in Personal Members only.

Members of The Health Roundtable freely share information with each other, but do not disclose it externally, in order to maintain frank and open discussion. Each member agrees to follow an "honour code" as a condition of membership which prohibits: criticism of the performance of other member organisations, the use of any of the information to the detriment of a fellow member, and external distribution of data or conclusions based on Health Roundtable data without the unanimous consent of all contributors.

Organisational and Personal Members of The Health Roundtable as of the date of this report are as follows:

Organisational Member	Personal Member
Auckland District Health Board, NZ	Margaret Dotchin
Austin Health, VIC	Brendan Murphy
Barwon Health, VIC	Lucy Cuddihy
Bayside Health, VIC	Jennifer Williams
Canterbury District Health Board, NZ	Nigel Millar
Capital & Coast District Health Board, NZ	Martin Hefford
Central Northern Adelaide Health Service, SA	Kaye Challinger
Counties Manukau District Health Board, NZ	Geraint Martin
Eastern Health, VIC	Tracey Batten
Fremantle Hospital and Health Service, WA	Mark Platell
Gold Coast Health Service District, QLD	Jeff Hollywood
Health Waikato District Health Board, NZ	Jan Adams
John Hunter Hospital, NSW	Michael DiRienzo
Mater Health Services, QLD	John O'Donnell
Melbourne Health, VIC	Linda Sorrell
Northern Health, VIC	Andrew Perrignon
Northern Sydney & Central Coast Area Health Service, NSW	Tracey Adamson
Northern Territory Acute Health, NT	Peter Campos
Northland District Health Board, NZ	Karen Roach
Northside Health Service District, QLD	Mary Montgomery
Otago District Health Board, NZ	Vivian Blake
Prince of Wales Hospital, NSW	Andrew Bernard
Princess Alexandra Hospital, QLD	David Thiele
Rockingham Peel Group	Geraldine Carlton
Royal Brisbane and Women's Hospital, QLD	Keith McNeil
Royal Hobart Hospital, TAS	Craig White
Royal Perth Hospital, WA	Phillip Montgomery
Royal Women's Hospital, VIC	Dale Fisher
Sir Charles Gairdner Hospital, WA	Amanda Ling
Southern Adelaide Health Service, SA	Michael Szwarcbord
Southern Health, VIC	Linda Sorrell
Southern Hospitals Network, NSW	Sue Browbank
St George Hospital, NSW	Sue Shilbury
St Vincent's Health, VIC	Nicole Feely
St Vincent's Hospital, NSW	Kerry Stubbs
Sydney West Area Health Service, NSW	Maureen Berry
The Canberra Hospital, ACT	Bill Stone
Townsville District Health Service, QLD	Ken Whelan
Waitemata District Health Board, NZ	Dave Davies
Western Health, VIC	Kath Cook
Regional Health Improvement Network	(vacant)

Under the Constitution, Associate Membership can be offered to a wide range of organisations and individuals, subject to approval of the Board of Directors. There were six individuals who were personal members of The Health Roundtable under the terms of the original Articles of Association, but were not affiliated with an Organisational Member at the time of the adoption of the new Constitution. Each of these individuals became Associate Members. Associate Membership status provides the opportunity to participate in selected activities as authorised by the Board of Directors. Associate Members of The Health Roundtable as of the date of this report are as follows: David Dean, Bill Kricker, David Rubenstein, Colin MacArthur, Michael Walsh, and Pat Martin. There are no Organisational Associate Members at this time.

Support Structure for The Health Roundtable

In September 2006, The Health Roundtable Board of Directors reviewed its management outsourcing contract with Chappell Dean Pty Limited, and agreed to renew the contract for an additional two years through December 2008. An annual review of contractual performance was conducted by the Board in November 2007. This contractual approach enables The Health Roundtable to facilitate innovation sharing amongst members at an agreed fixed-price cost per participating organisation for each service in the annual program. Chappell Dean provides a network of consultants, analysts, and administrative staff as well as the services of Dr David Dean, who is seconded to serve as General Manager of The Health Roundtable. Key people providing assistance to Chappell Dean and The Health Roundtable during 2007 include:

Michael Hart, Health Data Manager
Peter Reeves, Operational Consultant
Pieter Walker, Operational Consultant
Chris Harmsen, Operational Consultant
Jamie Wilson, Operational Consultant
Brian Dolan, Clinical Consultant
Michael Blatchford, Lean Facilitator
Fabian Chessell, Project Manager
Nicholas Smeaton, Website Designer
Bindy Steuart, Report Preparation
Margaret Dean, Accounts Manager
Greg Launder, Systems Analyst
Aman Dayal, Systems Analyst
Margaret Colville, System Documentation

Activities in 2007

The Health Roundtable's activities are grouped into four major categories:

1. Roundtable discussions of key topics
2. Benchmarking comparisons
3. Staff surveys
4. Management training

1. Roundtable Discussions

The Directors and Members selected five major topics for Roundtable Discussion in 2007:

- Predicting and Streaming Patients
- Improving the Outpatient and Ambulatory Care Journey
- Taking Patient Safety to the Next Level
- Implementing Document Management Systems for Medical Records
- Running a Multi-site Clinical Network

A total of 550 people from member organisations throughout Australia and New Zealand participated in one or more Roundtable meetings during the year. Approximately half of the attendees at each Roundtable are new to the collaborative process used in our meetings. In addition, we conducted over 50 webcast/teleconferences with individual health service teams and benchmarking groups during the year to augment the face-to-face meetings.

2. Benchmarking Comparisons

The Health Roundtable also continued to expand its data benchmarking and analysis activities during the year. Overall volume of benchmarking data collected by The Health Roundtable in 2007 is shown in the table below:

Emergency Presentations	1,643,000
Inpatient Admissions	3,020,000
- Diagnosis and Procedure codes	16,958,000
- Inpatient Bed Days	8,800,000
- Maternity Deliveries	127,000
- Mental Health Inpatient Bed Days	389,000
Allied Health Interventions	3.949,000

Data provided by members are analysed for differences in administrative practices and clinical practices. These differences are then discussed with the members and are highlighted in a variety of reports and analytical tools. All members have access to all data as well as the identities of their fellow members, so that they can contact each other directly to learn about innovations in patient care and in administrative practices.

Benchmarking activities during 2007 included:

- Inpatient Length of Stay Comparisons (Casemix Reports)
- Clinical Costing Comparisons
- Key Performance Indicator Comparisons
- Allied Health Activity Comparisons
- Mental Health Key Performance Indicator Comparisons
- Maternity Benchmarking Comparisons

3. Staff Surveys

The Health Roundtable's online staff survey activity continued to grow in 2007. A total of 10,100 staff members across 17 facilities have now completed a standard set of about 25 questions designed to identify opportunities for operational improvement. Several facilities are using this as a periodic tool to identify trends amongst staff perceptions of issues with teamwork, supervision, and workplace safety.

4. Management Training

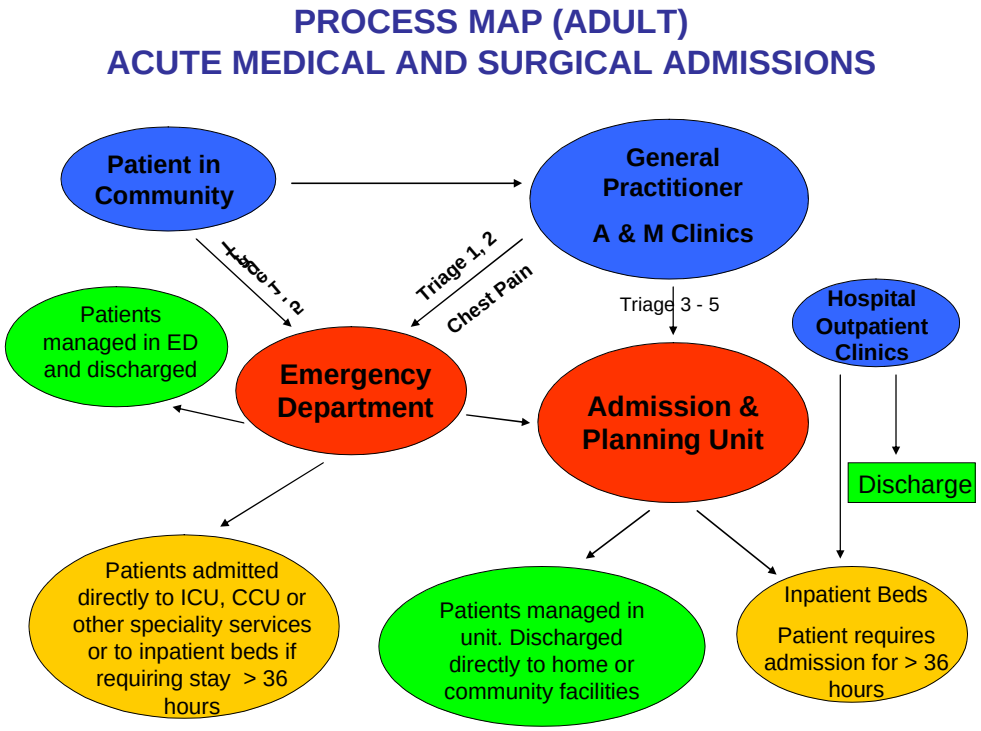
The organisation also expanded its management training offerings by conducting its three-month "Lean Healthcare" program in New Zealand, Queensland, and Victoria during the year. Additional workshops were delivered in the Northern Territory and Western Australia. By the end of 2007, over 100 managers had graduated from the program, and had launched over 20 projects to improve patient care in their health services.

Selected highlights from our activities in 2007 are included on the following pages to illustrate the range of activities and insights gained. More details may be found at our recently updated website (www.healthroundtable.org) which has both a publicly-accessible library of key innovations, as well as a members-only library of reports detailing specific innovations in each of the areas covered since The Health Roundtable was founded in 1995.

Key Findings and Insights from Roundtable Activities in 2007

March 2007

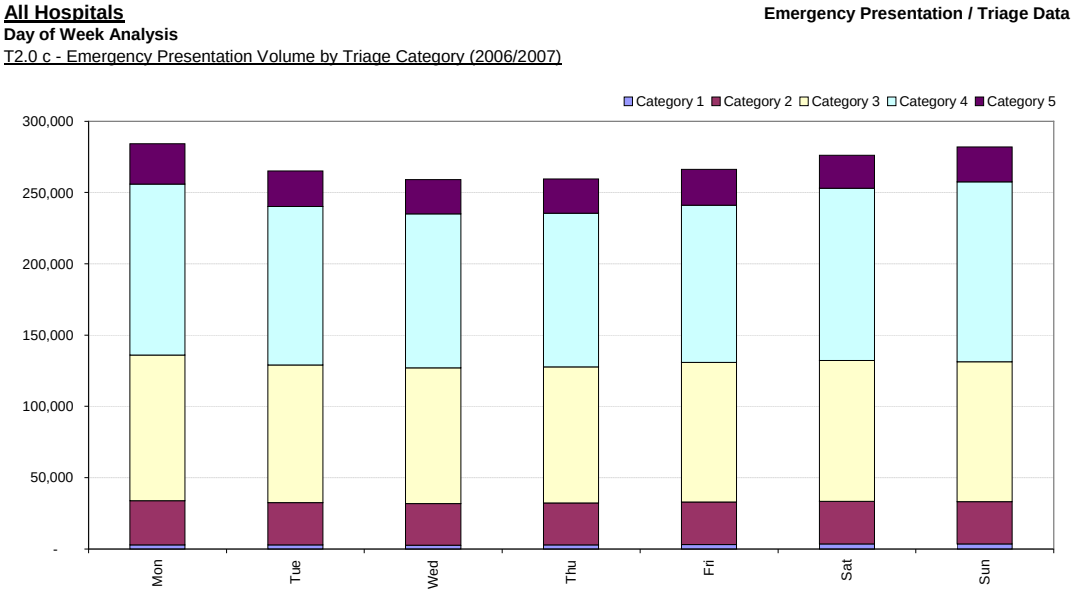
CEO Workshop: Patient Volumes – Predicting and Streaming



- Health services are implementing several new initiatives to improve the flow of emergency patients through their systems, ranging from improved forecasting of demand to redesign of work teams within ED.
- The chart above highlights an approach used successfully at one member hospital to avoid queues in ED by reviewing ambulatory patients referred by General Practitioners in a separate Admission and Planning Unit.

2006/2007

Emergency Presentation Data



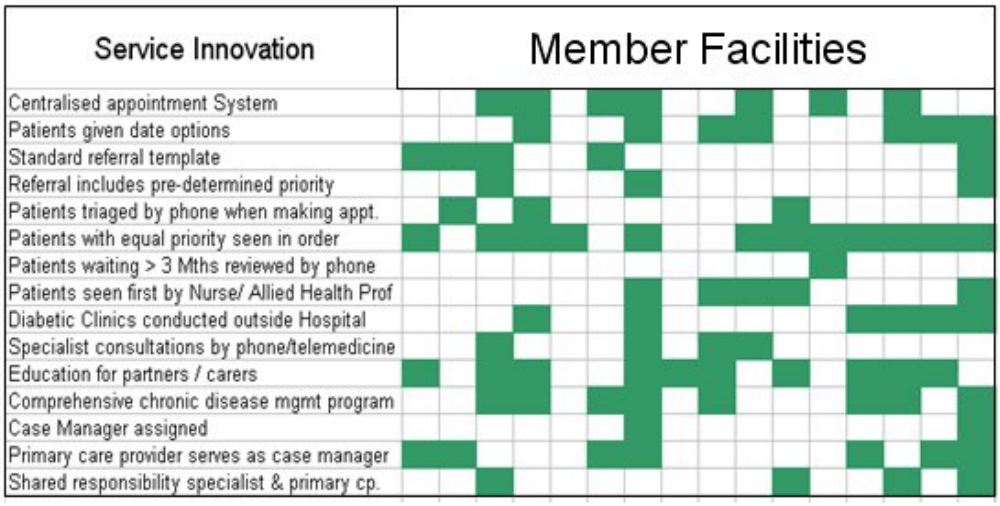
- Almost all member health services participated in providing their emergency presentation data to The Health Roundtable for analysis in 2007.
- The chart above highlights the high demand placed on Emergency Departments on Sundays and Mondays by patients with lower-acuity needs.

Good Practice Expectations for Outpatients

1. As an outpatient, what would make <u>your</u> experience with the health service better?	☑ Receiving an appointment within a reasonable time frame with process clearly explained ☑ Expert advice / Results available ☑ Access (transport / parking hours) ☑ Being treated with respect – on time, look at me, talk to me, in a way that I can understand
2. Waiting time between GP and first specialist appointment	☑ 2 to 4 weeks for routine ☑ 48 hours if urgent
3. Optimal percentage of first specialist appointments	☑ 30-50%
4. How to reduce reliance on specialists for ongoing care	☑ Primary care ☑ Access to information ☑ Nurse led services ☑ Managed care pathways
5. Reasonable "Did Not Attend" rate in public sector	☑ Under 10% ☑ Why any different from private sector?

- Participants at this Roundtable were asked to identify what they considered to be "good practice" practical goals to strive for regarding the outpatient journey.
- A common theme emerged that primary care providers were essential participants in managing the care of patients with chronic illnesses.

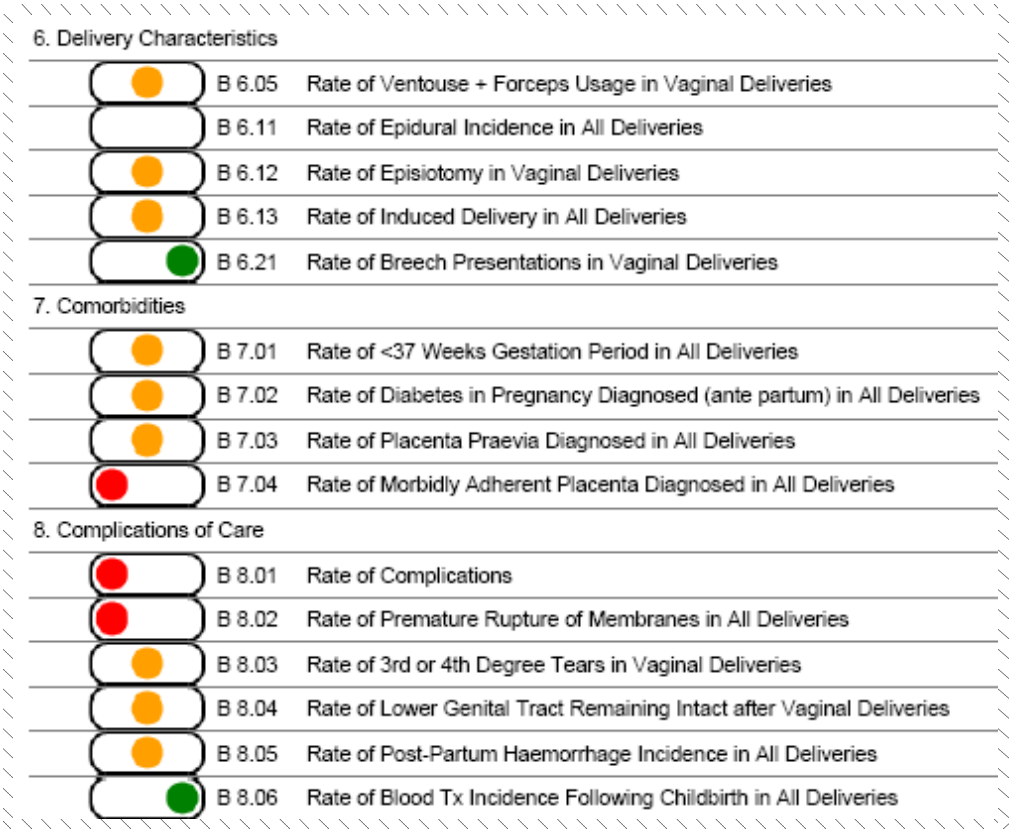
HRT0704 Diabetic Clinic Innovations



- The group compared administrative practices for patients with diabetes, highlighting the wide divergence of approaches in use.
- Each developed action plans to improve the patient journey through the health system.

June 2007

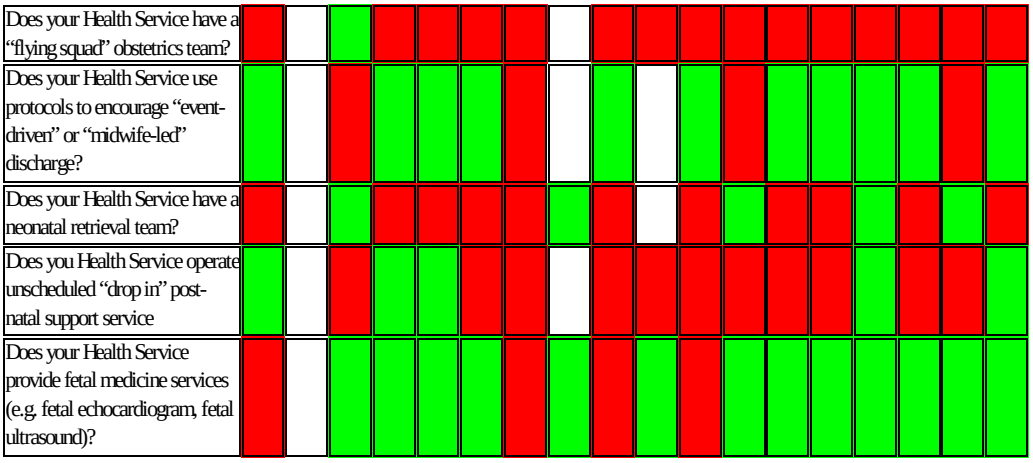
Maternity Benchmarking Group – Event-Driven Care



6. Delivery Characteristics		
	B 6.05	Rate of Ventouse + Forceps Usage in Vaginal Deliveries
	B 6.11	Rate of Epidural Incidence in All Deliveries
	B 6.12	Rate of Episiotomy in Vaginal Deliveries
	B 6.13	Rate of Induced Delivery in All Deliveries
	B 6.21	Rate of Breech Presentations in Vaginal Deliveries
7. Comorbidities		
	B 7.01	Rate of <37 Weeks Gestation Period in All Deliveries
	B 7.02	Rate of Diabetes in Pregnancy Diagnosed (ante partum) in All Deliveries
	B 7.03	Rate of Placenta Praevia Diagnosed in All Deliveries
	B 7.04	Rate of Morbidly Adherent Placenta Diagnosed in All Deliveries
8. Complications of Care		
	B 8.01	Rate of Complications
	B 8.02	Rate of Premature Rupture of Membranes in All Deliveries
	B 8.03	Rate of 3rd or 4th Degree Tears in Vaginal Deliveries
	B 8.04	Rate of Lower Genital Tract Remaining Intact after Vaginal Deliveries
	B 8.05	Rate of Post-Partum Haemorrhage Incidence in All Deliveries
	B 8.06	Rate of Blood Tx Incidence Following Childbirth in All Deliveries

- Participating health services are comparing notes on a variety of maternity clinical indicators to identify differences in data collection methods and clinical practice
- The process extracts ICD10 codes from inpatient casemix data to enable updates on a six-monthly cycle

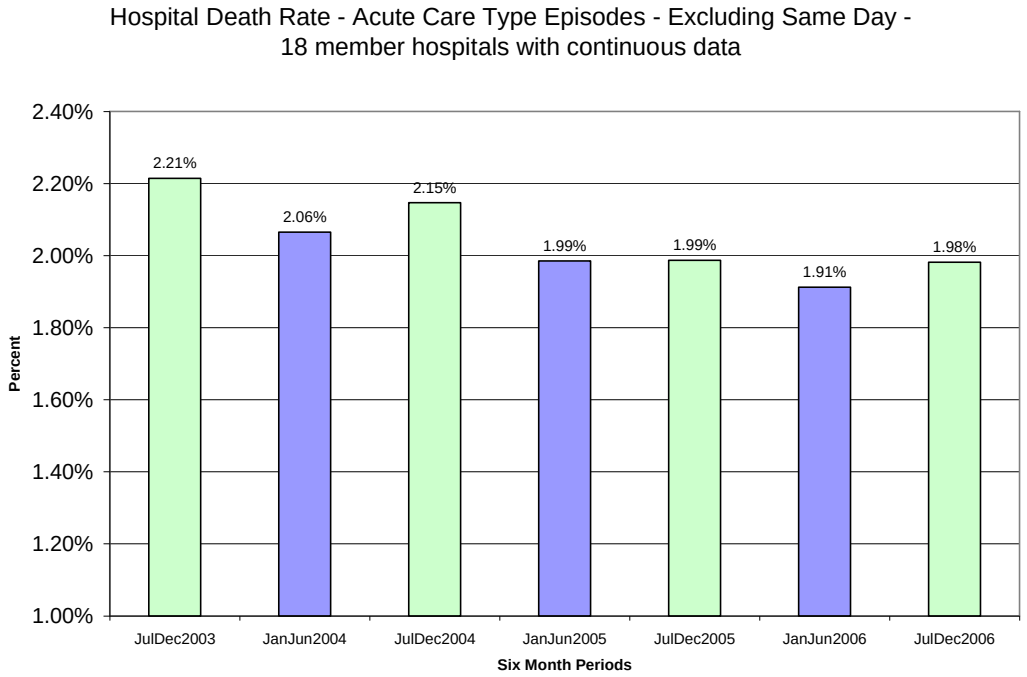
Member Health Services (Green = Yes)



- The Maternity Benchmarking Group held its first meeting in June 2007 to share data and compare notes on the use of "event-driven care."
- The chart above highlights the differences amongst health services on five of the key questions surveyed prior to the meeting.

July 2007

Taking Patient Safety to the Next Level



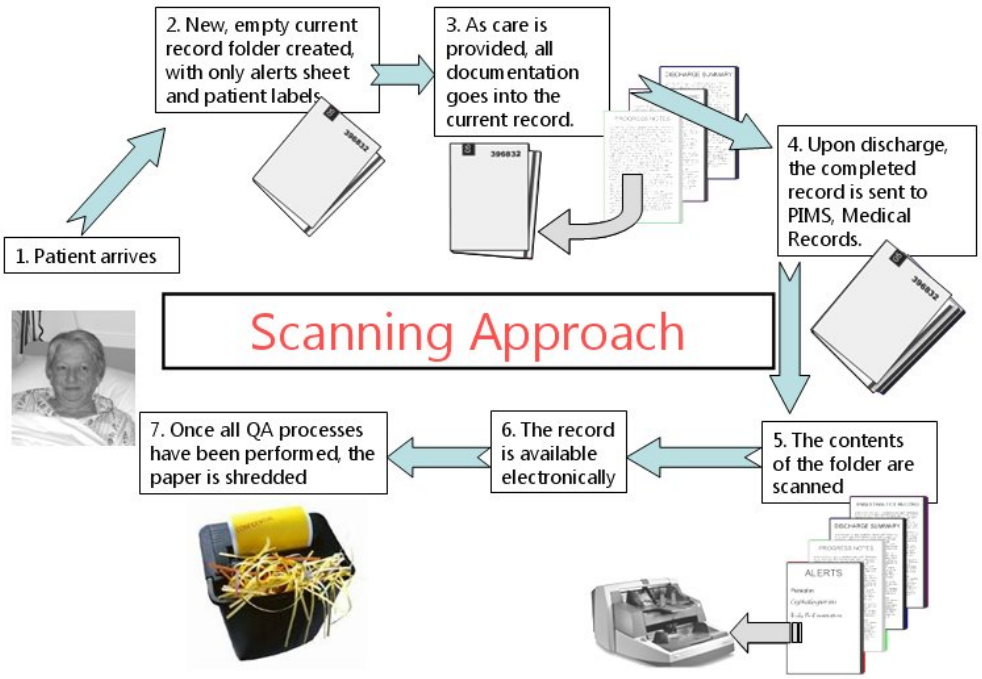
- Improving patient safety is a major priority for all health professionals, and is a regular topic for Roundtable discussion.
- Inpatient episode trends indicate about a 10% drop in mortality rates between 2003 and 2006 for a group of 18 member hospitals with continuous data.

"Hospital at Night" Good Practice Statements	Percent Implemented
1. A multi-disciplinary "hospital at night" team provides centralised clinical management from 10pm to 8am every weekday and throughout weekends.	
2. The "hospital at night" team has a physical control centre that provides a single point of call for all clinical problems identified in the wards.	
3. The "hospital at night" team has a clearly identified medical leader who has the authority to delegate and allocate work to all Junior Doctors on the team.	
4. The person available with the most appropriate skills on the scene is empowered to assess patients in the first instance, including Senior Nurse or Junior Doctor.	
5. A Duty Manager's handover report is produced each night and morning 7 days a week to capture information on staffing, resource utilisation, & bed capacity	
6. Work shifts are limited to a maximum of 12 consecutive hours with at least 11 hours of continuous rest periods between shifts.	
7. All Medical Staff (including Consultants) have a minimum 24 hours rest in every 7 days or a minimum 48 hour rest in every 14 days.	
8. Total working hours for Junior Doctors (including overtime and call backs) are limited to a maximum of 58 hours or less per week.	
9. We have audited the working hours of Junior Medical Staff in the last 12 months to identify those working more than the maximum target hours.	
10. We have audited the working hours of Senior Medical Staff in the last 12 months to identify those working more than the maximum target hours.	

- Key issues discussed at the Roundtable included "Hospital at Night" processes compared to a list of ten "good practice" goals.
- Substantial effort is still required to make our facilities safer, particularly at night.

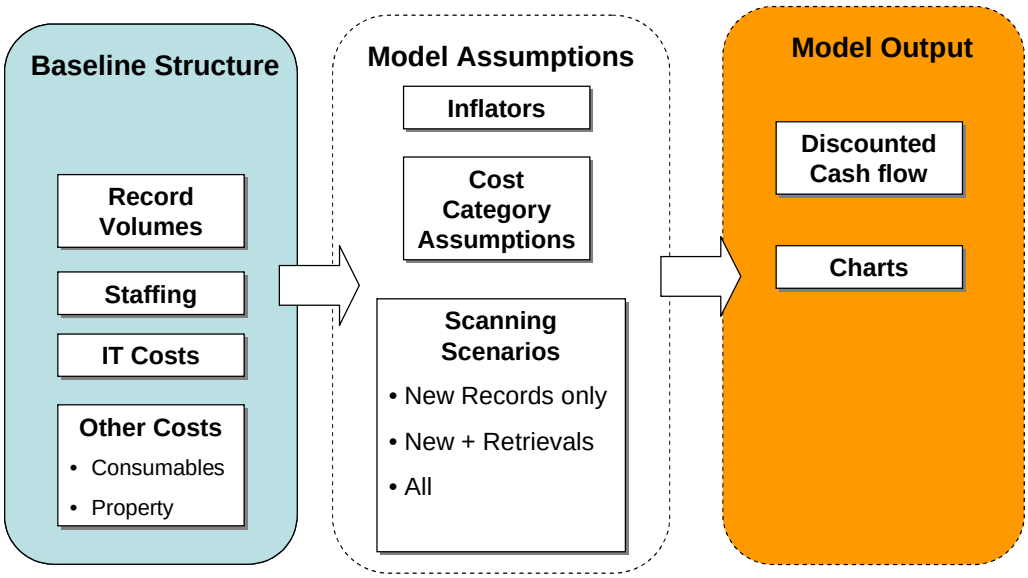
September 2007

Implementing Document Management Systems for Medical Records



- A one-day workshop was organised on short notice to inform members of current developments in document management systems for medical records.
- Five leading health services with systems in place discussed the lessons they have learnt so far.

Document Scanning Business Case Model



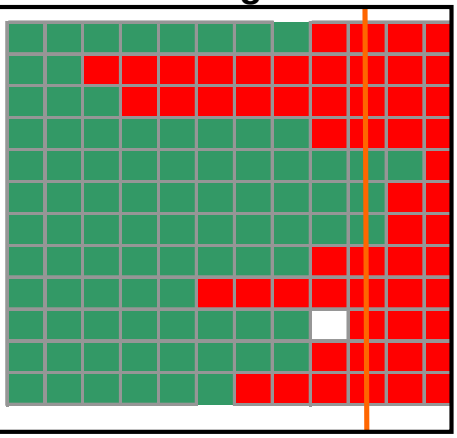
- The workshop concluded with a tutorial on building a business case to determine the pay-back period for investment in document management approaches.

September 2007

Running a Multi-Site Clinical Network

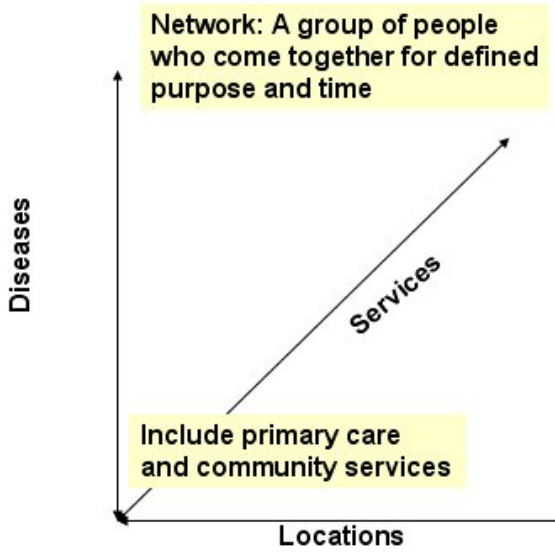
Quick Indicators of Multi-Site Network Integration

1.1 Single Patient Identifier
1.2 Single File
1.3 Deaths reported centrally
1.4 Bed Availalability reported centrally
1.5 Standard Medication Chart
1.6 Standard Phone Book
1.7 Single Ledger
1.8 Single Payroll System
1.9 Single ID Badge
1.10 Single approval process for consumables
1.11 Network wide agreed treatment protocols
1.12 Clinical Service responsible to one Director



- Many health services have amalgamated into multi-site networks in recent years, but are struggling to develop management systems which integrate patient care across facilities.
- A quick survey of participating facilities indicated that over 80% are using a standard medication chart, phone directory, and accounting system, few use a single medical record or report deaths to a central authority.

Service Matrix

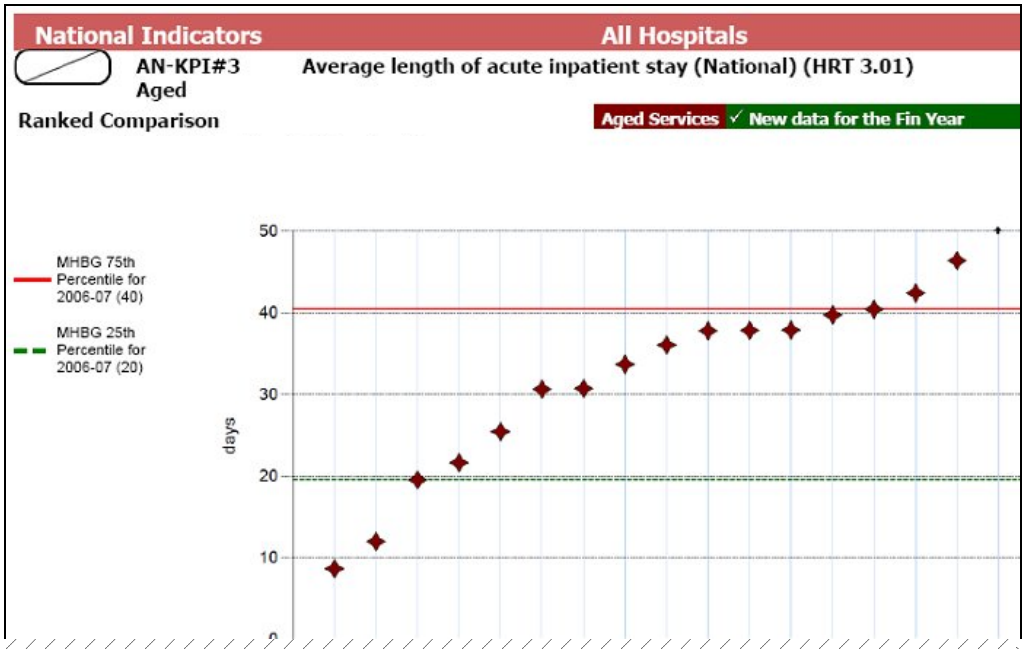


Service Examples	
Breast cancer	Integrate across locations and services
Heart Transplant	Centre of Excellence
Hernia Repair	Separate services, single protocol
Obstetrics	Selected centres

- Discussions centred on creating flexible strategies for integration of services based on clinical need, noting that some required local availability while others were more appropriate as centralized capabilities.
- Each of the delegates took improvement ideas back for implementation, ranging from implementation of network-wide "electronic bed boards" to creation of regular shuttle bus runs between facilities in the network.

November 2007

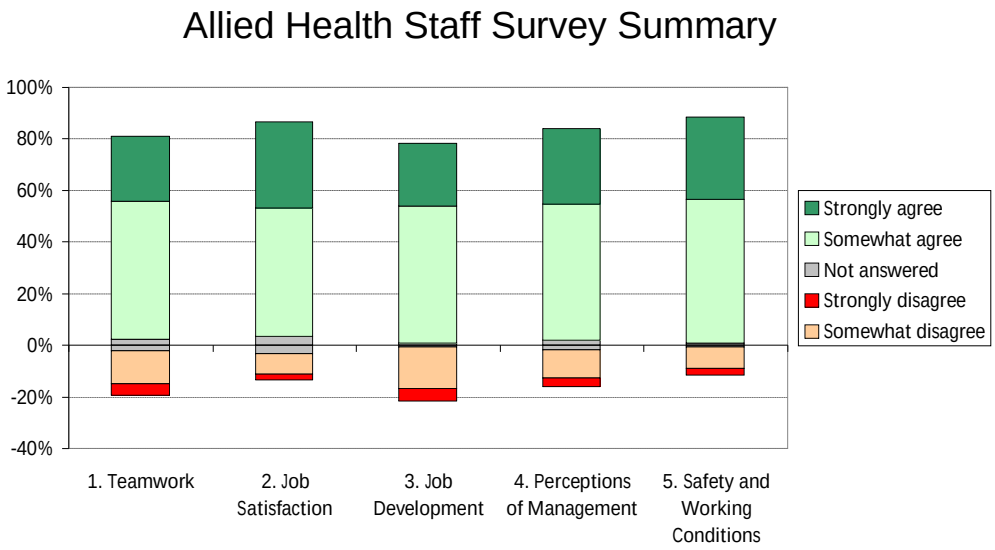
Mental Health Benchmarking



- Member organisations are preparing for the implementation of national Mental Health Key Performance Indicators by comparing notes on methodology and clinical practices.
- Services are organised by age group of the client - Child & Adolescent, Adult, and Aged Programs. Separate suites of indicators are being developed for each program, based on extracts from inpatient casemix data, and on manual entry of the data in the Roundtable's online system.

November 2007

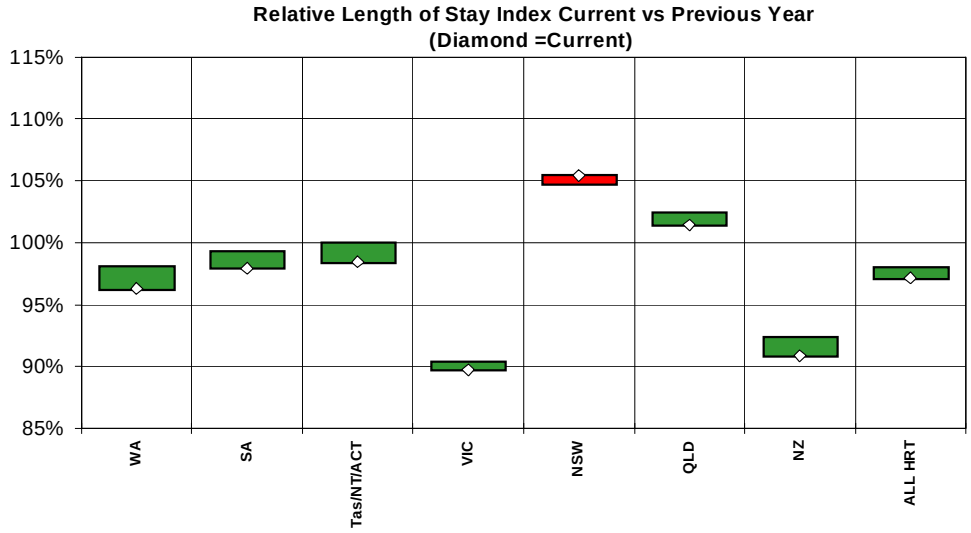
Allied Health Benchmarking



- A key concern of the Allied Health Benchmarking Group in 2007 was staff retention. In addition to activity benchmarking as in prior years, the group used the Roundtable's online staff survey system to identify major issues.
- Over 1200 staff across 14 health services participated in the survey, identifying teamwork and job development as important areas for improvement.

2006/2007
Inpatient Episode Benchmarking

Level 1 - By Region Clinical Service Group Total All Cases



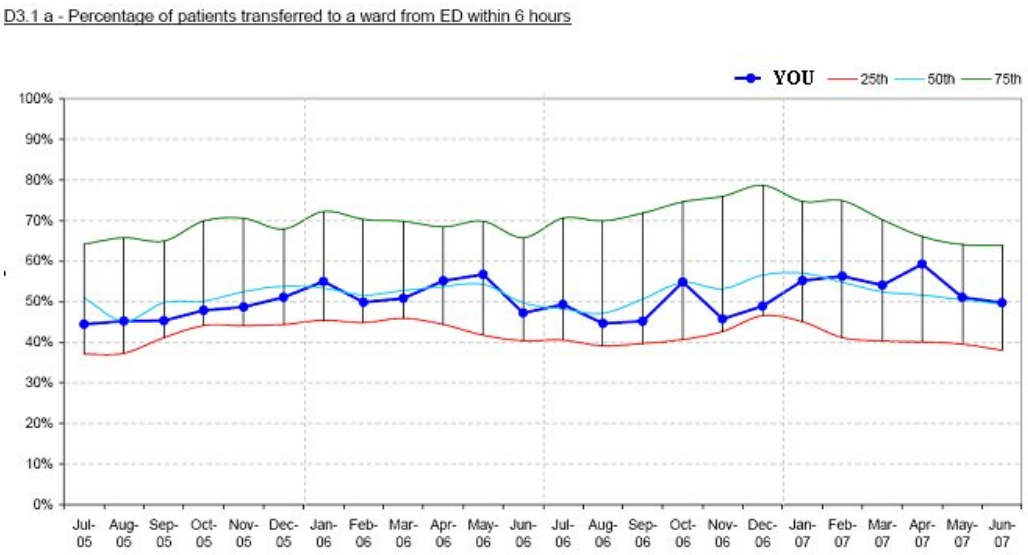
- Member organisations across New Zealand and all states and territories in Australia provide statistical extracts of their inpatient episode activity every six months to The Health Roundtable for processing and analysis.
- A relative stay index is used to adjust for differences in patient mix and specialisation across facilities, and to identify differences in data collection methodology or operational practice.
- Victoria and New Zealand, the two jurisdictions with the most advanced episode funding systems, continue to have the lowest length of stay.

Data Analysis Toolkit

Customised Briefings	**Compares your major DRGs to lowest or highest length of stay facilities in your peer group** **Narrative report format**
Departmental Report	**Analyses data by discharge unit and clinician** **Top 10 DRGs for each unit**
Screening Report	**Shows your relative length of stay on all DRGs compared to the full Roundtable**
DRG Reports	**Detailed reports for every DRG, DRG Family, and Clinical Service Grouping**
Databases	**Raw episode level data for every patient for every hospital in the Roundtable**
Casemix Analyst Tool	**Ad hoc comparisons – allowing you to select the hospitals, DRG, and charts of interest**
Bed Planner Assistant	**Interactive demonstration tool to predict expected date of discharge**

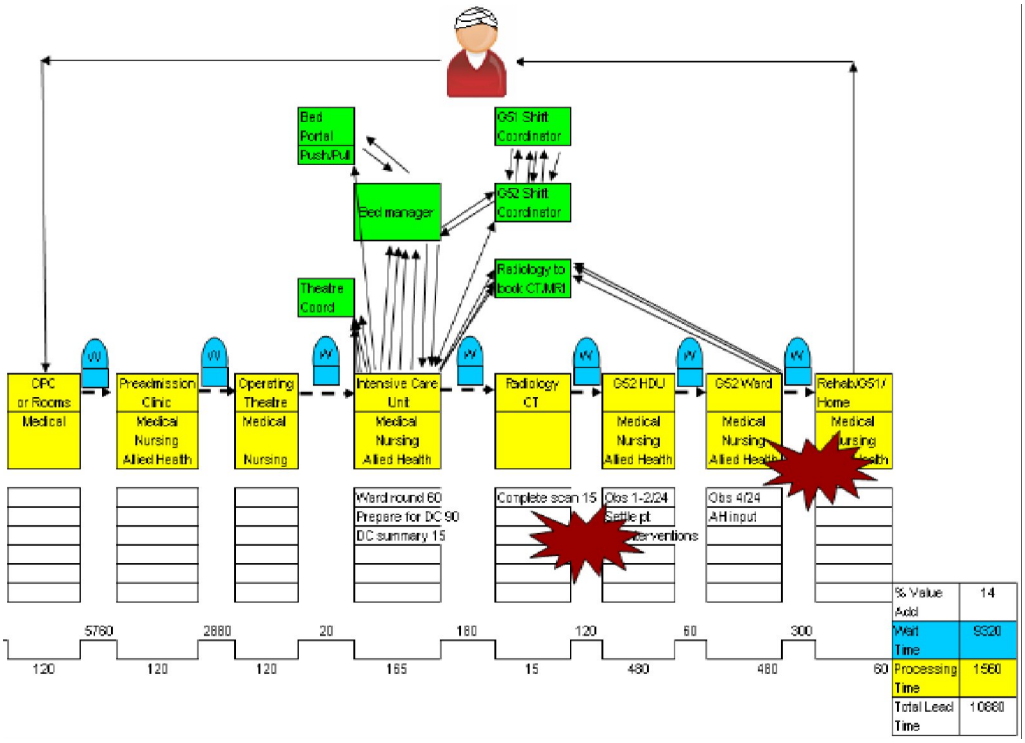
- A wide variety of analytical tools are provided to members to explore differences in operational performance.
- Customised Briefings and the Departmental Report are most frequently used to identify the members of the peer-group that have developed innovative strategies for patient care.

2006/2007
Emergency Presentation Benchmarking



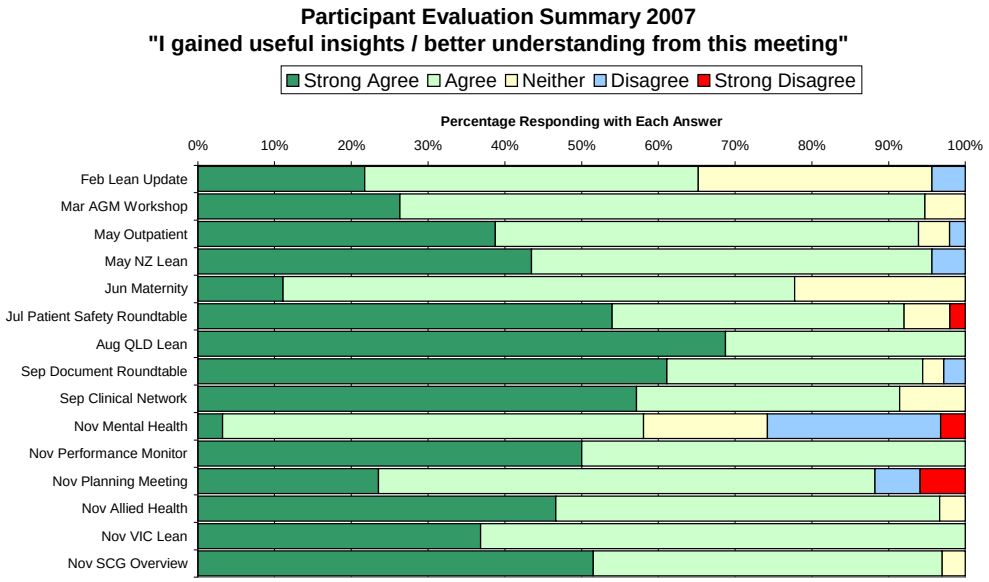
- In addition to basic volume trends, Health Roundtable analysis of emergency presentation data for member facilities includes tracking the time it takes from arrival to transfer to a bed in the hospital
- The chart above shows one organisation's rate of ward transfer within six hours (**in blue**), compared to the hospitals at the 25th, 50th, and 75th percentile on this measure.

2007 Lean Healthcare Programs



- The Health Roundtable conducted three Lean Healthcare Management Development programs during the year, bringing the total number of graduates to over 100 since the program began in 2006.
- Participants learn a common set of tools, such as Value Stream Mapping to identify and remove delays in the Patient Journey through the system.

Participant Evaluations



- A total of 523 participants completed evaluation forms following Roundtable meetings during 2007. Each evaluation is reviewed for improvement ideas, and summaries are submitted to the Audit Committee of the Board of Directors.
- The chart above summarises responses to the statement "I gained useful insights from this meeting" showing that about 90% agreed with the statement. Our goal is for participants to take at least one good idea back to their institution for implementation after each meeting.

November 2007 Strategic Review Process

Operational Review Findings and Targeted Actions for 2008	
1. More targeted benchmarking	▪ Develop customised peer groups for each member for each DRG
2. Better networking opportunities for similar facilities	▪ Limit attendance at the AGM and CEO Review sessions to Personal Members only ▪ Organise peer group breakout sessions at the AGM and CEO Review meetings
3. Better orientation for new members and new staff	▪ Develop "new member kits" to assist new organisational and personal members to understand Roundtable processes ▪ Develop "how to" guides for the use of data analysis tools
4. More coaching to members on getting better value from Roundtable activities	▪ Identify the key success factors of the leading members ▪ Develop suggested organisational and project management approaches
5. Spread "good practice" information more widely	▪ Identify key innovations that would be of use to members and to other healthcare organisations in the healthcare sector ▪ Examine longer-term trends and present findings at professional meetings
6. Ensure long-term viability of the Roundtable	▪ Develop management succession plan ▪ Review strategic direction

- The members of the Roundtable conducted an internal review of current practices at the end of 2007.
- Six key findings emerged, and the Board agreed on targeted improvement actions to be carried out in 2008.

SPONSORSHIP

The Health Roundtable offers corporate organisations the opportunity to participate in its activities to learn more about the issues facing major teaching hospitals. In 2007, the following organisations supported one or more of the activities of The Health Roundtable, which helped to defray administrative costs. In return, they were given the opportunity to participate in meetings where there is no direct conflict of interest, and have agreed to abide by the Health Roundtable Honour Code to protect the confidentiality of all Roundtable discussions. The Health Roundtable welcomes appropriate participation in its discussions of key issues by health industry vendors.

Roche Products Pty Limited (Australia) is part of the International F. Hoffmann-La Roche Group worldwide that was founded in 1896 in Basel, Switzerland. Roche has grown from a small drug laboratory into one of the world's leading research-based Healthcare companies and is known for many innovative contributions to medicine.

Arranged in two operative divisions, our global mission today and tomorrow is to create exceptional added value in healthcare. These two units are: Pharmaceuticals and Diagnostics.

Executive Fitness Management (EFM) is the market leader in providing on-site health and fitness programs to organisations including private and public hospitals. EFM has 35 on-site locations and over 50 corporate clients including The Royal Adelaide Hospital, Flinders Medical Centre, The Royal Melbourne Hospital, Kingston Health, and Cabrini Health. Services include on-site health and fitness clubs, back to work rehabilitation programs, executive personal training, corporate massage and staff health screenings.

Phillips Fox is delighted to support the Health Roundtable. Our pro bono partnership with the Health Roundtable further strengthens our continuing commitment to the Australian and New Zealand health sector. Phillips Fox is one of the largest legal firms in Australasia. Founded in 1864, today we number some 190 partners, 1500 staff, in 10 offices across Australia, New Zealand and Vietnam.

Our health practice serves clients in both the public and private sectors across Australia and New Zealand. Many of our health lawyers have worked in the health sector, using their 'hands on' experience of the complex interplay of law, policy, regulation and 'politics' of health to provide high quality, practical and cost effective legal advice. Dr Tim Smyth in our Sydney office would be pleased to discuss with you how Phillips Fox can assist you and your organisation.

Infomedix is the leading provider of scanned medical records solutions in Australia. The Infomedix solution is designed specifically for ease-of-use and rapid access to medical records for both health information staff and clinicians. With an established customer base and our significant ongoing investment in R&D and support, we provide a ready-made and proven solution offering a low risk path to a scanned medical record. As a subsidiary of Object Consulting, Infomedix is also able to draw upon the resources and expertise of over 250 highly trained technical staff.

3M Health Information Systems, Inc. is a leading provider of advanced software tools and consulting services that help healthcare organisations capture, classify, and manage accurate healthcare data and maximise its usage to improve their patient and organisational outcomes.

EXTERNAL LINKAGES

The Health Roundtable maintained its international affiliate membership in the University Healthsystem Consortium, a collaborative group of over 90 academic medical centres in the USA. This affiliation has provided valuable methodological assistance and insights to the organisation and its members across Australia and New Zealand.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

DIRECTORS AND AUDITORS INDEMNIFICATION

During the 2007 accounting period, The Health Roundtable paid premiums to insure itself and each of the Directors and Officers of the company against liabilities for costs and expenses incurred by them in defending any actual or alleged breach of duty, breach of trust, neglect, error, misleading statement, omission, breach of warranty or authority claimed against them while acting in their individual or collective capacities.

The total amount paid for the insurance in 2007 was $2,060.

MEETINGS OF DIRECTORS

During the 2007 calendar year, the Board of Directors met on 6 March, 29 March, 12 October, 16 November, and 6 December. The Board has created an Audit and Compliance Committee to develop a risk management strategy, and to carry out audit and compliance activities. During 2007, the Audit Committee held meetings on 16 February, 29 March, 24 August, and 15 November. We express our appreciation to Mr Ross Cooke for the insights he is providing as an external member of the Audit & Compliance Committee.

DIRECTORS' BENEFITS

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company with: a director, a firm of which a director is a member, or an entity in which a director has a substantial financial interest.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceeding to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

INFORMATION ON OFFICERS AND DIRECTORS SERVING DURING 2007

OFFICERS:

Associate Professor Kaye Challinger, Director and President
(Appointed 16 October 1998, re-elected 5 April 2006, elected President 6 April 2005)

Associate Professor Challinger is an executive in the Central Northern Adelaide Health Service.

Ms Margot Mains, Director and Vice President (to 6 September 2007)
(Elected 25 November 1999, re-elected 5 April 2006, elected Vice President 6 April 2005. Resigned 6 September 2007)

Ms Mains was Chief Executive Officer of Capital & Coast District Health Board in New Zealand.

Ms Kerry Stubbs, Director and Treasurer
(Appointed 25 November 2003, re-elected 29 March 2007)

Ms Stubbs was Chief Executive Officer of St Vincent's Public Hospital in Sydney during 2007.

Dr David Dean, Company Secretary
(Elected 6 April 2006)

Dr Dean is General Manager of The Health Roundtable Limited, serving in that capacity since its inception in 1995.

DIRECTORS

Ms Jennifer Williams, Director
(Elected 27 November 1998; re-elected 5 April 2006)

Ms Williams is Chief Executive of Bayside Health in Victoria.

Mr Michael Szwarcbord, Director
(Appointed 16 November 2004 and served to 6 April 2005. Appointed to fill vacancy on 16 November 2005)

Mr Szwarcbord is Chief Executive of the Flinders Medical Centre in South Australia.

Dr John O'Donnell, Director
(Appointed 16 November 2004 and served to 6 April 2005. Appointed to fill vacancy on 16 November 2005)

Dr O'Donnell is Chief Executive of Mater Health Services in Brisbane, Queensland.

Mr George Jepson, Director (to 30 August 2007)
(Elected 4 May 2004 and served to 6 April 2005. Appointed to fill vacancy on 16 November 2005. Resigned on 30 August 2007.)

Mr Jepson was Executive Director of Prince Henry / Prince of Wales Hospital in Sydney.

Mr John Mollett, Director (to 1 March 2007)
(Elected 4 May 2004, and re-elected 6 April 2005)

Mr Mollett was General Manager of The Canberra Hospital.

Mr Jeff Hollywood, Director (from 29 March 2007)
(Elected 29 March 2007)

Mr Hollywood is the District Manager of the Gold Coast Health Service District in Queensland.

Dr Mark Platell, Director (from 29 March 2007)
(Elected 29 March 2007)

Dr Platell is the Executive Director, Fremantle Hospital, Western Australia.

Dr Craig White, Director (from 29 March 2007)
(Elected 29 March 2007)

Dr White is the Chief Executive Officer of Royal Hobart Hospital, Tasmania.

Dr Amanda Ling, Director (from 16 November 2007)
(Appointed to fill vacancy on 16 November 2007)

Dr Ling is the Executive Director of the Sir Charles Gairdner Group in Western Australia.

Ms Vivian Blake, Director (from 16 November 2007)
(Appointed to fill vacancy on 16 November 2007)

Ms Blake is the Chief Operating Officer of the Otago District Health Board in New Zealand.

Signed in accordance with a resolution of the Board of Directors.

Kaye Challinger
Director

Craig White
Director

Date: 3 March 2008

The Health Roundtable Limited
ABN 71 071 387 436

Financial Statements
For the year ended 31 December 2007

Ronald Smith & Co
Chartered Accountant
Suite 101, 10 Edgeworth David Avenue
Hornsby 2077
Phone: 94771650 Fax: 94776649

The Health Roundtable Limited ABN 71 071 387 436
Detailed Profit and Loss Statement
For the year ended 31 December 2007

	2007 $	2006 $
Income		
Special project income	63,940	36,250
License & Sponsorship income	52,592	30,750
Subscription fees income	1,359,100	1,171,800
Membership fees	8,800	7,100
Delegate Rego fees	142,294	96,647
Interest received	44,400	30,709
Total income	**1,671,126**	**1,373,256**
Expenses		
Audit fees	2,402	2,450
Bank Fees And Charges	134	59
Filing Fees	15	65
Management & Office expenses	43,982	33,752
Insurance	2,060	2,265
Subscription program expenses	1,343,600	1,192,800
Hotel and Venue costs	144,742	96,133
UHC Membership costs	18,309	19,154
Special project costs	63,940	36,250
Total expenses	**1,619,184**	**1,382,928**
Profit from Ordinary Activities before income tax	**51,942**	**(9,672)**

The Health Roundtable Limited ABN 71 071 387 436
Balance Sheet As At 31 December 2007

	Note	2007 $	2006 $
Current Assets			
Cash assets	3	223,441	96,422
Receivables	4	49,987	53,464
Current tax assets		39,148	46,633
Total Current Assets		**312,576**	**196,519**
Non-Current Assets			
Other	5	1,035	1,035
Total Non-Current Assets		**1,035**	**1,035**
Total Assets		**313,611**	**197,554**
Current Liabilities			
Payables	6	8,118	9,603
Other	7	153,000	87,400
Total Current Liabilities		161,118	97,003
Total Liabilities		**161,118**	**97,003**
Net Assets		**152,493**	**100,551**
Equity			
Retained profits		152,493	100,551
Total Equity		**152,493**	**100,551**

The Health Roundtable Limited ABN 71 071 387 436

Statement of Cash Flows

For the year ended 31 December 2007

	2007 $	2006 $
Cash Flow From Operating Activities		
Receipts from customers	1,630,203	1,315,019
Payments to Suppliers and employees	(1,547,584)	(1,386,205)
Interest received	44,400	30,709
Net cash provided by (used in) operating activities (note 2)	**127,019**	**(40,477)**
Net increase (decrease) in cash held	127,019	(40,477)
Cash at the beginning of the year	96,422	136,899
Cash at the end of the year (note 1)	223,441	96,422

The Health Roundtable Limited ABN 71 071 387 436
Statement of Cash Flows
For the year ended 31 December 2007

	2007 $	2006 $

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Corporate Cheque Account	6,205	10,382
Online Saver Account	217,236	86,040
	223,441	96,422

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	51,942	(9,672)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	3,477	(27,528)
Increase (decrease) in trade creditors and accruals	(1,485)	(18,597)
Increase (decrease) in other creditors	65,600	15,400
Increase (decrease) in sundry provisions	7,485	(80)
Net cash provided by operating activities	**127,019**	**(40,477)**

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity.

The report has been prepared in accordance with the requirements of the following Australian Accounting Standards.

AASB 1031: Materiality

AASB 110: Events after the Balance Sheet Date

No other Australian Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

The Health Roundtable Limited ABN 71 071 387 436

Notes to the Financial Statements

For the year ended 31 December 2007

	2007 $	2006 $
Note 2: Revenue		
Operating Activities:		
Other sales revenue	1,626,726	1,342,547
Interest revenue	44,400	30,709
	1,671,126	**1,373,256**
Note 3: Cash assets		
Bank accounts:		
Corporate Cheque Account	6,205	10,382
Online Saver Account	217,236	86,040
	223,441	**96,422**
Note 4: Receivables		
Current		
Trade debtors	49,987	53,464
	49,987	**53,464**
Note 5: Other Assets		
Non Current		
Preliminary expenses	1,035	1,035
Less: accumulated amortisation		
	1,035	**1,035**

The Health Roundtable Limited ABN 71 071 387 436

Notes to the Financial Statements

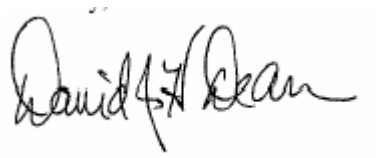
For the year ended 31 December 2007

	2007 $	2006 $
Note 6: Payables		
Unsecured:		
- Trade creditors	8,118	9,603
	8,118	9,603
	8,118	**9,603**
Note 7: Other Liabilities		
Current		
Advance payments	153,000	87,400
	153,000	**87,400**
Note 8: Auditors' Remuneration		
Remuneration of the auditor of the company for:		
Auditing or reviewing the financial report	2,402	2,450
Other services		
	2,402	**2,450**

The Health Roundtable Limited ABN 71 071 387 436
General Manager's Declaration

I, David Dean, General Manager of The Health Roundtable Limited, declare that in my opinion:

1. The financial records of The Health Roundtable Limited for the financial year have been properly maintained; and
2. The financial statement and the notes for the financial year comply with the accounting standards; and
3. The financial statements and notes for the financial year give a true and fair view; and
4. Any other matters that are prescribed by the regulations for the purposes of this paragraph in relation to the financial statements and the notes for the financial year are satisfied.



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Health Roundtable General Manager
David Dean

Signed on : 6 March 2008

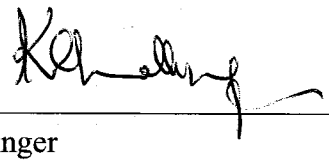
The Health Roundtable Limited ABN 71 071 387 436
Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 31 December 2007 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Kaye Challinger
Director

Craig White
Director

Signed on: 19/3/2008

The Health Roundtable Limited ABN 71 071 387 436
Independent Auditor Report

Scope

We have audited the attached financial report, being a special purpose financial report comprising the General Manager's Declaration, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, for the year ended 31 December 2007 of The Health Roundtable Limited. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

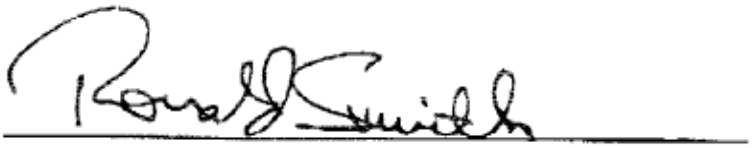
Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements to the extent described in Note 1.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of The Health Roundtable Limited as at 31 December 2007 and the results of its operations for the year then ended.

Signed on :



Ronald Hamilton Smith, Chartered Accountant
Ronald Smith & Co
101/10 Edgeworth David Ave. Hornsby NSW