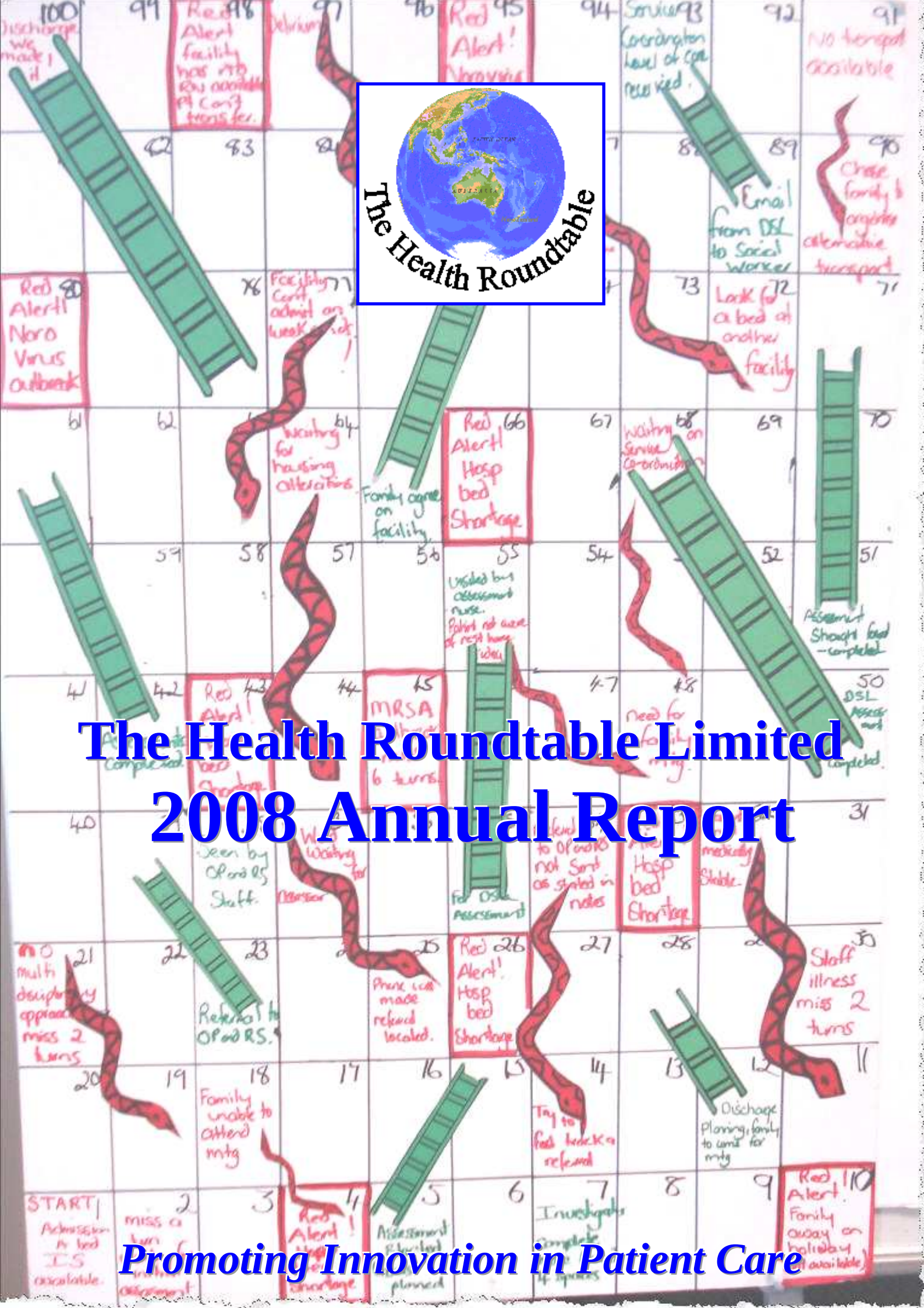


The Health Roundtable Limited

2008 Annual Report

Promoting Innovation in Patient Care

THE HEALTH ROUNDTABLE LIMITED

ACN 071 387 436
ABN 71 071 387 436

DIRECTORS' REPORT FOR 2008

Your directors submit the financial accounts of the Company for the calendar year ending 31 December 2008.

DIRECTORS

The names of directors in office as of 16 March 2009 are:

John O'Donnell	Kathryn Cook
Mark Platell	Ron Dunham
Amanda Ling	Karleen Edwards
Vivian Blake	Adrian Nowitzke
Linda Sorrell	Karen Roach

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 2008, with income balancing expenses. The organisation had a major increase in membership in mid-year with the addition of thirteen District Health Boards in New Zealand.

The organisation recorded a surplus of $9,568 for the financial year, representing 0.4% of operating income. The accumulated surplus increased to $162,059 as of the end of the financial year. The Health Roundtable makes no provision for income tax, as the company is exempt from income taxation as a not-for-profit charitable organisation.

Almost all expenses are matched against member subscription revenue under an outsourcing contract with Chappell Dean Pty Limited. Administration and discretionary expenses are offset against corporate sponsorship and interest earnings. In 2008, the Board authorised two major discretionary expenses: a "Lessons Learnt" Roundtable for all members and a Strategic Review conducted by Palm Consulting.

The overall financial strategy of the Board is to build a surplus of about 10% of annual operating income as a buffer to cover monthly fluctuations in income and expense. As at December 2008, the surplus was 6.2%.

Cover Design: "Obstacles facing hospital management" using Snakes and Ladders concept drawn by a Lean Healthcare Team 2008.

REVIEW OF OPERATIONS

During 2008, The Health Roundtable grew to 53 public health service organisations (from 40 in 2007) which encompassed 104 separate inpatient facilities (80 in 2007). All of this growth was due to the decision by New Zealand District Health Boards to use The Health Roundtable to provide operational data comparisons.

John Hunter	NSW	Austin Health	VIC
Prince of Wales (2)	NSW	Barwon Health	VIC
N Sydney & Central Coast (6)	NSW	Alfred Health (3)	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 (5)	NSW	Royal Women's (Melbourne)	VIC
Gold Coast	QLD	Southern Health (4)	VIC
Mater Health Brisbane (3)	QLD	St Vincents Health (Melbourne)	VIC
Northside District (3)	QLD	Western Health (3)	VIC
Princess Alexandra	QLD	The Canberra Hospital	ACT
Royal Brisbane & Womens	QLD	Northern Territory Health (5)	NT
Townsville	QLD	Central Northern Adelaide (4)	SA
Fremantle	WA	Southern Adelaide (3)	SA
Royal Perth	WA	Royal Hobart	TAS
Sir Charles Gairdner (5)	WA	**21 NZ District Health Boards (33)**	
Rockingham Peel	WA		
Regional Health Improvement Network (8)			

() indicates number of separate facilities reported

In addition to joining The Health Roundtable, the New Zealand members also formed a New Zealand benchmarking group as a special interest group within the organisation. This allows them to compare performance across New Zealand members exclusively, as well as with all Australasian members generally. Special peer-groupings have been established to compare facilities with similar size and patient mix.

One additional organisational member is the Regional Health Improvement Network, a collaborative group of regional Australian hospitals. This group uses the data analysis methodologies of The Health Roundtable, but conducts its own separate benchmarking activities.

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 16 March 2009 are as follows:

Organisational Member	Personal Member
Alfred Health	Peter McDonald
Auckland City DHB	Greg Balla
Austin Health	Brendan Murphy
Barwon Health	Lucy Cuddihy
Bay of Plenty DHB	Graham Dyer
Canterbury DHB, Christchurch	David Meates
Capital & Coast DHB	Shaun Drummond
Central Northern Adelaide Health Service	Karleen Edwards
Counties Manukau DHB	Ron Dunham
Eastern Health	(vacant)
Gold Coast HSD	Adrian Nowitzke
Hawkes Bay DHB	Warrick Frater
Health Waikato	Jan Adams
Hunter New England Area Health Service	Michael Di Rienzo
Hutt Valley DHB	Chai Chuah
Lakes District Health Board	Cathy Cooney
Mater Health Services, Brisbane	John O'Donnell
Melbourne Health	Linda Sorrell
MidCentral DHB	Murray Georgel
Nelson Marlborough DHB	Keith Rusholme
Northern Health (VIC)	Robert Burnham
Northern Sydney Central Coast AHS	Lee Gregory
Northern Territory Acute Health	Peter Beirne
Northland DHB (NZ)	Karen Roach
Northside District (QLD)	Jon Roberts
Otago DHB	Vivian Blake
Prince of Wales Hospital	Andrew Bernard
Princess Alexandra	David Theile
Royal Brisbane & Women's Hospital	David Alcorn
Royal Hobart Hospital	Michael Pervan
Royal Women's Hospital, Melbourne	Dale Fisher
Sir Charles Gairdner Group	Amanda Ling
South Canterbury DHB (NZ)	Christopher Fleming
South Metropolitan AHS (WA)	Mark Platell
Southern Adelaide Health Service	Cathy Miller
Southern Health, Victoria	Shelly Park
Southern Hospitals Network (NSW)	Sue Browbank
Southland DHB (NZ)	Lexie O'Shea
St George Hospital	Cath Whitehurst
St Vincent's Health Melbourne	Anne Maddock
St Vincent’s Sydney	Jonathan Anderson
Sydney West Area Health Service	Maureen Berry
Tairawhiti District Health Board	Jim Green
Taranaki DHB	Joy Farley
The Canberra Hospital	Bill Stone
Townsville Hospital	Mary Bonner
Wairarapa DHB	Joy Cooper
Waitemata DHB	Andrew Potts
West Coast DHB	Joel George

Organisational Member	Personal Member
Western Health	Kathryn Cook
Whanganui DHB	Julie Patterson
Regional Health Improvement Network	(vacant)

Members Added in 2009 through 16 March

Bass Coast Regional Health	Lea Pope
Bendigo Health Care Group	John Mulder
Colac Area Health	Geoff Iles
Djerriwarrh Health Services	Bruce Marshall
Mercy Public Hospitals (Victoria)	Kieron Martin
Northeast Health Wangaratta	Lis Wilson
Portland District Health	Ros Jones
Royal Victorian Eye and Ear	Ann Clark
South West Healthcare	Andrew Trigg
Stawell Regional Health	Peter Edwards
The Royal Children's Hospital (Victoria)	Christine Kilpatrick
West Gippsland Healthcare Group	Ormond Pearson
Western District Health Service	Jim Fletcher
Wodonga Regional Health Service	Ray Sweeney

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, Pat Martin, Kaye Challinger, Kerry Stubbs, and Michael Szwarcbord. There are no Organisational Associate Members at this time.

Strategic Direction for The Health Roundtable

Throughout 2008, The Health Roundtable Board of Directors and members engaged in a strategic review process with the assistance of Palm Consulting Group. This review examined the long-term aims of the organisation and its support structure, with the resulting Strategic Goals and Strategies for the next five years.

Goal	Strategies
1 Respond to member needs The Health Roundtable will position itself to better understand and respond to member needs and develop specific arrangements to provide improved support to members	1.1 Develop a better understanding of member needs and satisfaction with Roundtable programs and services
	1.2 Design membership activities to better reflect the diversity of membership and the current and emerging healthcare delivery arrangements
	1.3 Develop strategies and programs to accommodate new groups of members, including - supporting new members through their induction and orientation to the Roundtable - ensuring Roundtable programs and services are appropriately targeted and responsive to their needs - integrating the new members into the overall Roundtable structure and offerings
2 Enhance the focus of Roundtable programs Roundtable programs will be refocused to better respond to member needs and support members in driving improvement and change in their organisations	2.1 Streamline the Roundtable's data collection and reporting program to provide increased member support and individualised feedback
	2.2 Identify key areas of focus for Roundtable programs, based on issues and problems emerging from: - review, analysis and benchmarking of Roundtable data - consultation and discussion with members
	2.3 Develop an integrated program to support members to drive improvement and change in their organisations in these areas of focus
3 Build the Roundtable's public profile The Health Roundtable will enhance its programs by wider dissemination of information	3.1 Provide wider dissemination of Roundtable insights about ways to improve patient care, while safeguarding the range of operational data provided in confidence to the Roundtable by its members
4 Ensure an effective and sustainable organisation The governance, planning and management of the Roundtable will be effective and will ensure the future sustainability of the organisation	4.1 Strengthen the Board's governance arrangements and capacity
	4.2 Effectively plan and manage the Roundtable's operations to secure future financial sustainability

The Board of Directors will be reviewing progress and updating the strategy on a regular basis.

One of the key outcomes of the Strategic Review was the decision by the Board to continue its outsourcing of management services, rather than to bring these services in house. In consultation with Chappell Dean Pty Limited, the Board reviewed the contract for services which expired in December 2008. Significant changes were made in the contract for the 2009-2010 period, which provides the Board with increased flexibility to monitor performance and adjust service offerings. The contract also contains a rolling renewal process to provide twelve month's notice of major changes in service requirements and offerings.

As part of the outsourcing arrangement in 2008, Chappell Dean provided 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 2008 included:

Michael Hart, Health Data Manager
Peter Reeves, Operational Consultant
Pieter Walker, Operational Consultant
Raj Behal, Mortality Review 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
Janine Gilmour, Allied Health Consultant
Aman Dayal, Systems Analyst
Margaret Colville, System Documentation

Activities in 2008

The Health Roundtable is focused on helping members identify and reach "good practice" in health care delivery by addressing four key questions:

1. **What does good practice look like?**
2. **What is the gap between my health service and good practice**?
3. **Which health services are "good practitioners?"**
4. **How can we develop our staff to achieve good practice?**

A total of 738 people from member organisations throughout Australia and New Zealand participated in one or more Health Roundtable activities 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.

1. What does good practice look like?

Each year our members nominate major issues that are affecting their performance. Those with the broadest support and which have the largest apparent variation in practices are then selected for review at a major Health Roundtable meeting. In 2008, the Members selected four major topics to begin to identify good practice:

- How to Improve the Patient Journey through Imaging Services
- How to Improve Clinical Management Practices
- How to Improve Patient Safety
- How to Improve the Interface with Aged, Subacute, and Rehabilitation Care Services

May 2008

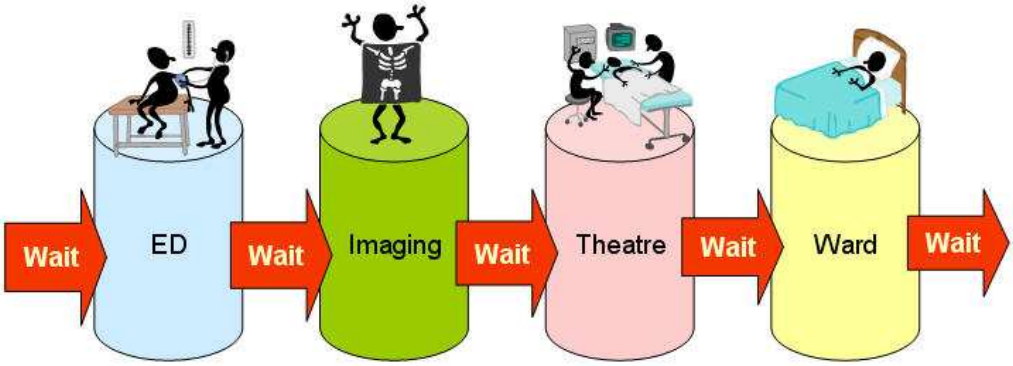
Roundtable: Improving the Patient Journey through Imaging Services

This marked the first time that The Health Roundtable specifically focused on the patient's journey through imaging services. The participants examined the imaging process from Patient Referral to the reporting of the imaging results. They also began a pilot process to link the imaging activity with inpatient episode data to determine the number of examinations received by a patient during a hospital stay.

There is considerable variability in the number and types of imaging performed on patients, as well as major differences in the turnaround time of the imaging service.

Participants set several "good practice" goals at the end of the Roundtable:

- Clear the day's reporting by the end of each day
- Provide blocks of uninterrupted time for radiologists to report on images
- Ensure 100% report availability within 5 working days
- Eliminate unnecessary additional radiation doses for patients with pulmonary embolism studies
- Reduce patient transit times to radiology
- Increase successful transfers of patients to imaging by porters

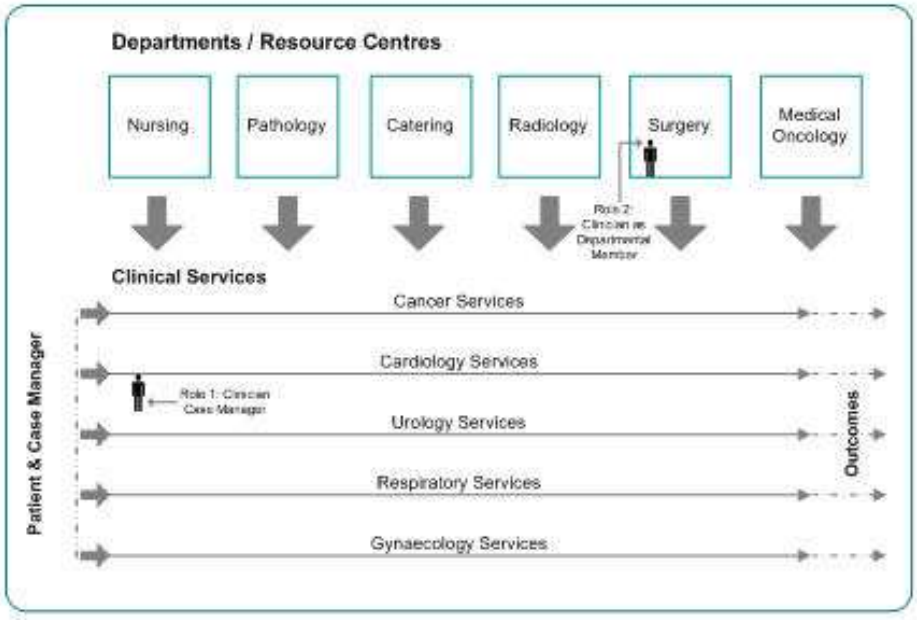


June 2008

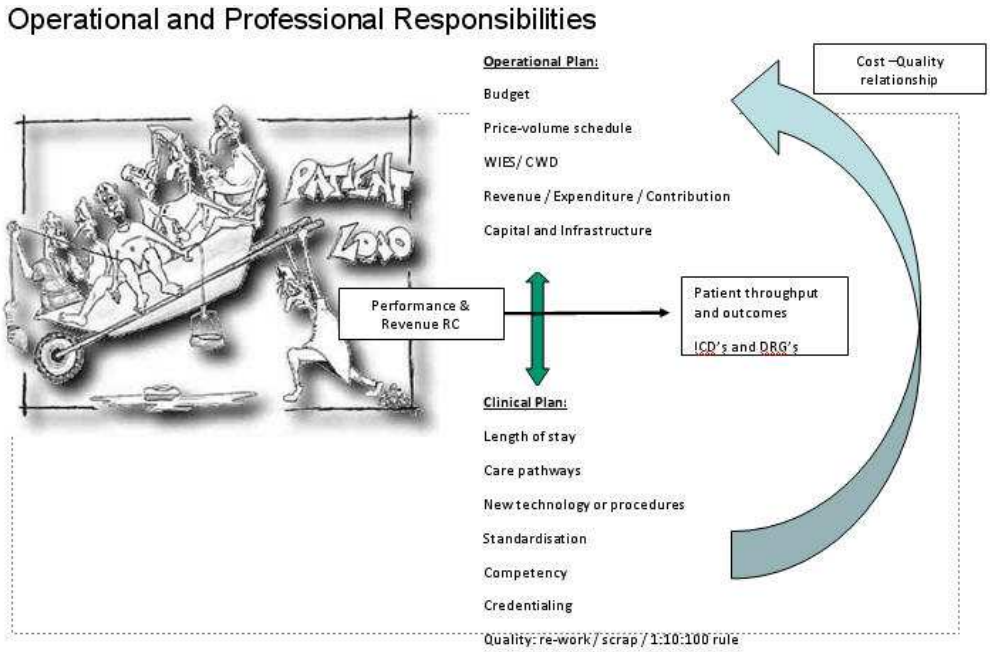
Roundtable: Improving Clinical Management Practices

The Clinical Management Roundtable brought participants together to identify "good practices" in the overall management of clinical staff in complex public hospitals and health services.

Clinician Managers were acknowledged to have two distinct roles in health services – as Clinical Case Managers for specific patients, and as Resource Centre Managers for their specialties



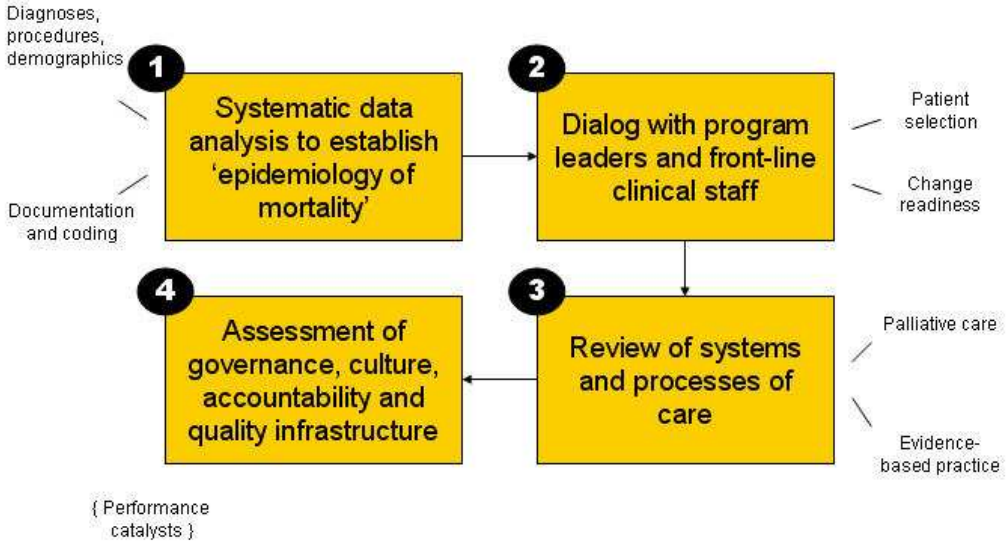
This leads to a complex set of operational and professional responsibilities.



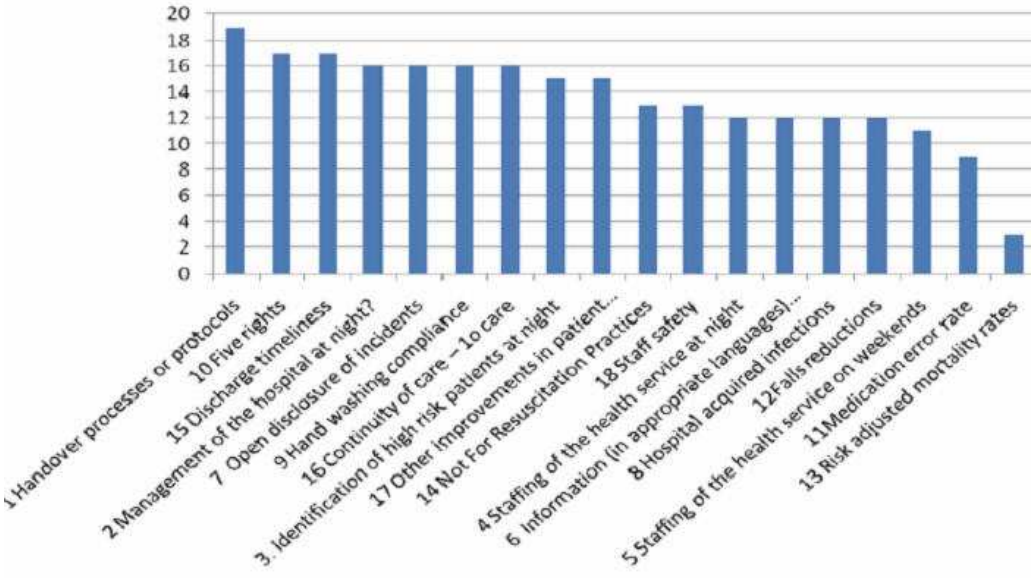
August 2008

Roundtable: Improving Patient Safety

In August, Dr Raj Behal of Rush University Medical Centre in Chicago led our Patient Safety Roundtable discussions of ways to reduce inpatient mortality.



A number of "good practice" ideas are already being implemented across Health Roundtable member sites, as shown in the chart below:



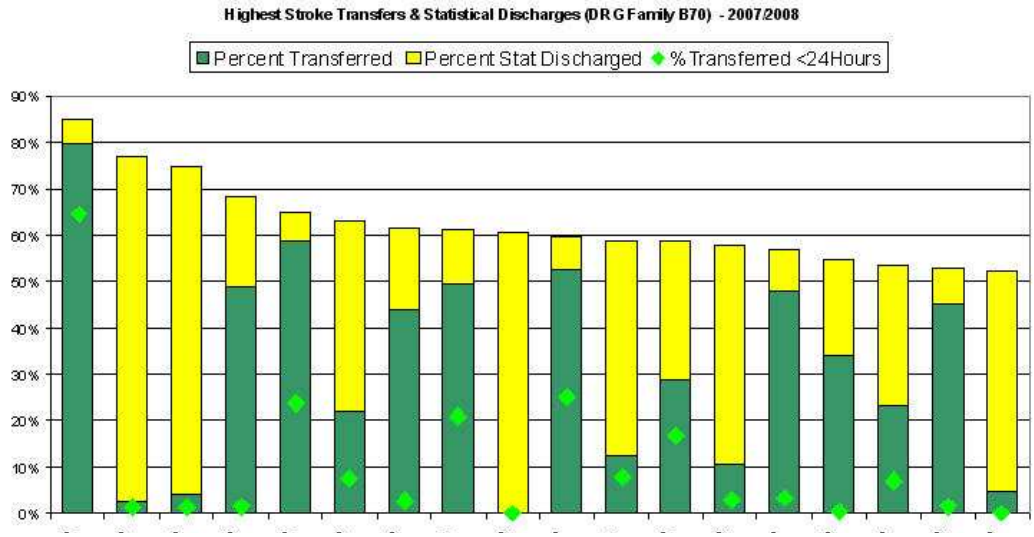
September 2008

Roundtable: Improving the Interface with Aged, Subacute and Rehabilitation Care Services

The primary focus of The Health Roundtable for many years has been on the general hospital patient receiving acute care. However, the interface with other health care services – subacute, rehabilitation, and aged care – is increasingly important as the pressure on bed availability grows.

Participants in the September 2008 Roundtable began a dialogue about this interface to identify "good practice" across the patient journey through these services.

There are widely different practices in the management and placement of patients amongst our member organisations, as the chart below on the processing of stroke patients indicates:



Initiatives identified by Participants included:

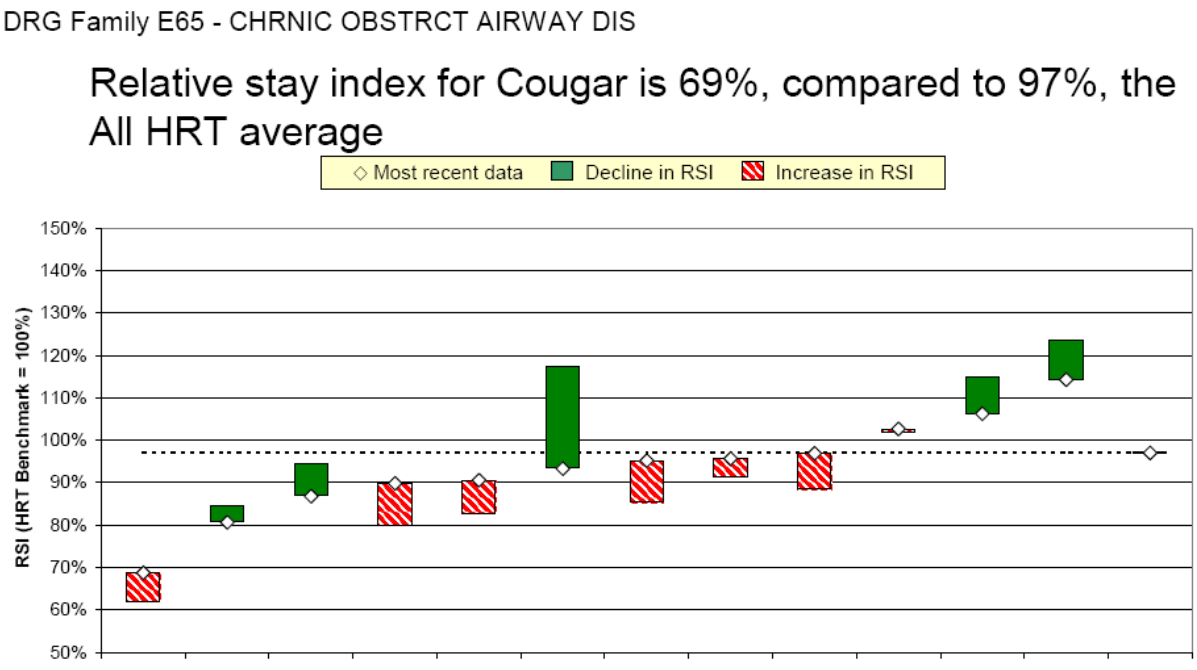
- "Right patient, right service" -- reduce referral time for subacute patients by 3 days
- Transfer 75% of clinically ready patients to a subacute bed within 48 hours of referral
- Improve length of stay of subacute / rehab clients waiting transfer or discharge by 30%
- Reduce preventable presentations to ED by 50%
- Improve patient flow time - acute to subacute & community by 50%

2. What is the gap between my health service and good practice?

With such a large number of health services and facilities of varying size and complexity, identifying the performance gaps has required development of a sophisticated benchmarking process. Every six months, The Health Roundtable provides customised reports on inpatient length of stay, emergency presentations, and a series of key performance indicators for each member facility compared to an appropriate peer group

The reports provide feedback for health services at both ends of the spectrum of key performance indicators, and provide sufficient detail for discussions with clinicians to discover which differences are due to administrative practice, and which are due to clinical practice.

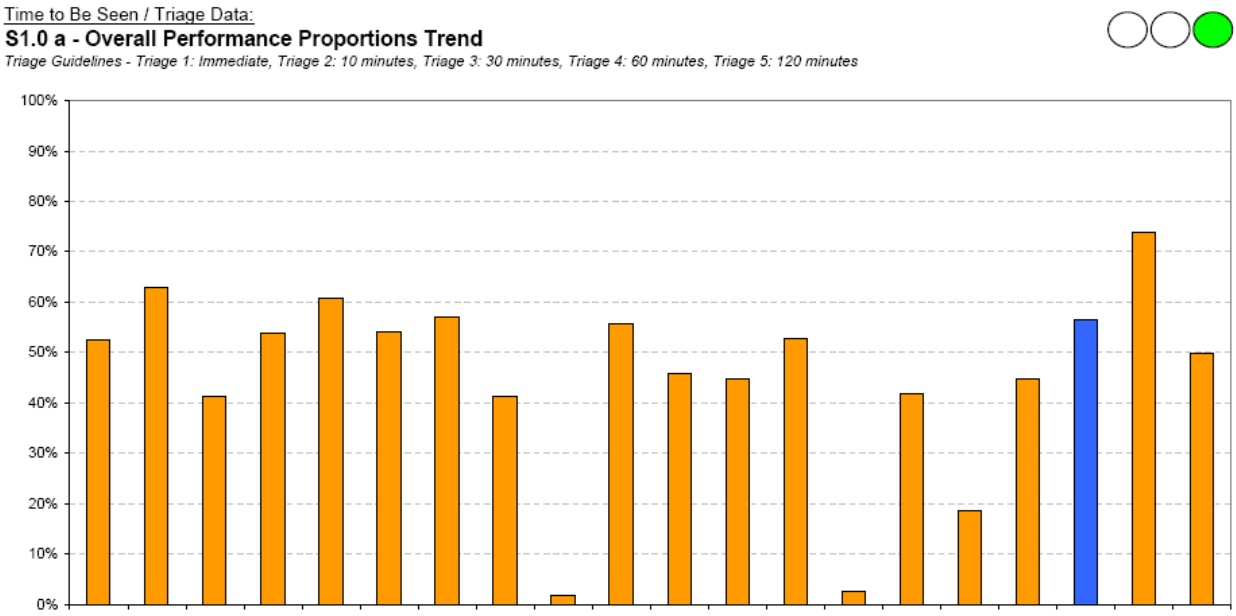
Sample Page from an Inpatient Length of Stay Analysis



One of the key features of The Health Roundtable is that each member's identity is known to each of the other members in the reports. Members agree to follow an "Honour Code" which prohibits them from using the comparative data to the detriment of fellow members, and from disclosing the comparative data without the unanimous consent of all other participants. This high-trust environment encourages the sharing of problems and innovations amongst the membership.

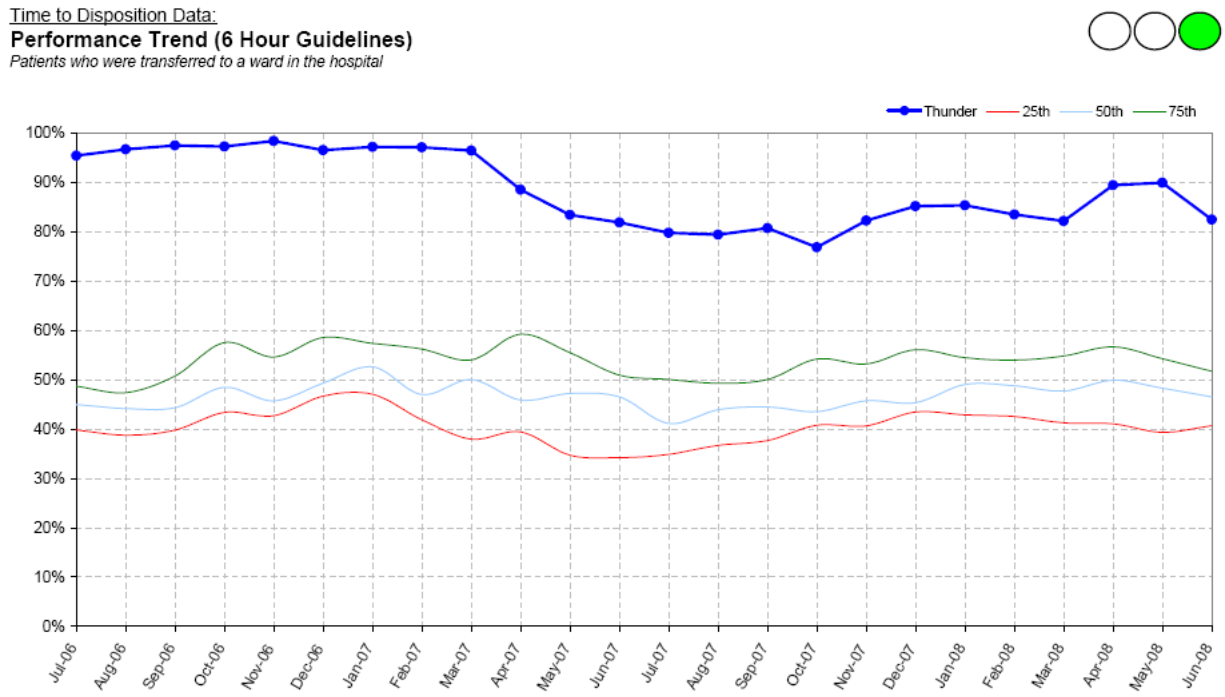
Given the importance of prompt treatment in Emergency Departments, The Health Roundtable also provides gap analysis of emergency presentation data for member health services. This helps members identify and learn from exemplars amongst their peers. We now focus on two key measures – time to be seen, and time to disposition – to assist our members.

These reports provide comparative information which identifies each of the peer group members for further conversation.



Member Health Services (*Identified in Member Reports***)**

The reports also show the trends over time for each health service compared to the 25th, 50th and 75th percentiles of the peer group.



All members are also encouraged to participate in the collection and comparison of additional key performance indicators that provide a “balanced scorecard” for health services. These cover quality of care, human resources, and business indicators as well as provide a high-level summary of the inpatient and emergency datasets.

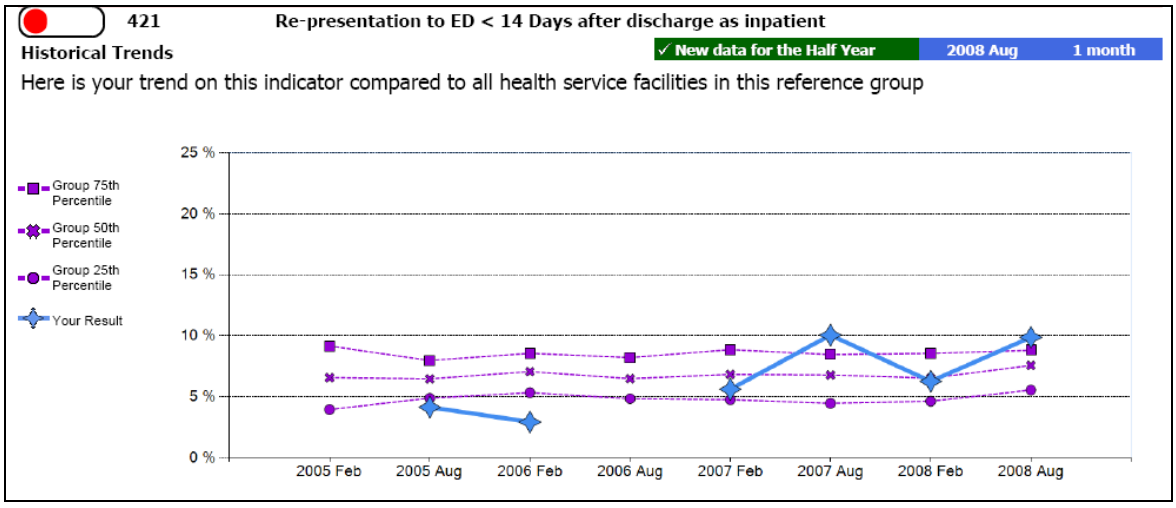
Extract from Key Performance Indicator Report

4 Clinical - Major Events

4113	Does your hospital have a mechanism in place to bring 'All Deaths for Review' to the attention of the chief executive?
421	Re-presentation to ED < 14 Days after discharge as inpatient
422	Urgent re-presentation to ED < 24 hours after discharge as ED Patient
423	Patients remaining longer than 14 days
135	Return to operating theatre (HRT 431)
451	INR Level greater than 5
461	Pressure Ulcers - Ungraded
472	Percent of Records coded by the 15th of the month

5 Workforce

511	Nursing Staff Sick Leave
512	Other Staff Sick Leave
521	Annual Nursing Staff Turnover
522	Annual Other Staff Turnover
531	Nursing Staff Workers Compensation Claims
532	Other Staff Workers Compensation Claims
541	Percentage Agency Nurses



3. Which health services are "good practitioners?"

In 2008, we continued our biennial process of conducting "Lessons Learnt" workshops to update members on progress in achieving good practice outcomes across twelve topics. The workshops assisted members in identifying practical things that can be done to improve practices by talking to colleagues in small group sessions.

Lessons Learnt Workshops – 4-5 June 2008

Concurrent Stream 1: Improving the Patient Journey			
1a Improving Ambulatory Journeys	1b Improving Chronic Medical Journeys	1c Improving Elective Surgical Journeys	1d Improving Emergency Surgery Journeys
Concurrent Stream 2: Improving Management and Support Services			
2a Improving Records Management	2b Improving Diagnostic & Support Services	2c Improving Delivery of Care in a Multi-site Organisation	2d Improving Forecasting and Bed Management
Concurrent Stream 3: Improving Safety and Risk Management			
3a Improving Medication Management	3b Improving the Safety of the Hospital at Night	3c Engaging Clinicians and Executives in Clinical Audits	3d Improving Risk Assessment Practices

All staff members of Health Roundtable member organisations have access to our website at www.healthroundtable.org which provides a comprehensive library of presentations and reports by members on all meeting topics. The library has over one thousand presentations, and has a search engine to enable rapid retrieval of documents based on key word searches.

4. How can we develop our staff to achieve good practice?

The Health Roundtable continued to offer management training programs to member organisations in 2008, with three cross-member courses and several in-house programs. To date, over 300 managers from health services across Australia and New Zealand have participated in our Lean Healthcare Program.

The program provides an opportunity for participants to learn how to manage teams and projects, collect and analyse data, and prepare professional presentations to senior management while working on a real operational problem. Health Roundtable staff support the participants through regular teleconference coaching sessions and site visits. Some of the success stories from these projects are shown on the following page. All results are posted on the website for reference by all member organisations.

Examples of Lean Healthcare Projects Implemented in 2008

- ✓ Discharge at least one medical patient per day before 0930 from Ward X on their planned day of discharge
- ✓ Reduce the length of stay for patients aged 17 years or older presenting with shortness of breath to eight hours or less
- ✓ Reduce the length of stay for patients admitted with respiratory Infection by 20%
- ✓ Reduce the total length of stay for clients in Ward X with a diagnosis of schizophrenia by 50%
- ✓ Reduce the length of stay of Chronic Respiratory patients in Emergency by 50% and by 30% overall
- ✓ Reduce Executive Team's total time spent on e-mails by 30% within three months.
- ✓ Achieve swallow screening for 90% of stroke patients within 24 hours of presentation to hospital
- ✓ Increase the acceptance rate of clients to transition care to 25%
- ✓ Decrease the length of stay for patients from referral to subacute care by 25%
- ✓ Reduce waiting time for GP referral to specialist for Type 2 diabetics to no more than 30 days
- ✓ Eliminate delays for day surgery patients on the day of surgery due to incomplete referral process
- ✓ Streamline Ambulatory Care visits and reduce the patient waiting times by 50% for patients receiving adjuvant chemotherapy for breast cancer.
- ✓ Reduce the average appointment time for Antenatal Clinic patients by 50% by Sept 2008
- ✓ Reduce turnaround time for Cardiothoracic patients requiring plain film x-ray by 50%
- ✓ Complete all OH&S incident investigations within 20 days
- ✓ Reduce time from referral to procedure by 50% for patients waiting for symptomatic stereotactic biopsy

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 2008, 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.

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

Since the close of the financial year in December 2008, The Health Roundtable has received over a dozen applications for membership from health services in the state of Victoria, along with a request from Victorian members to create a Victorian Benchmarking Group. The organisation has also been notified of the amalgamation of three members in Western Australia into one regional membership which will now have five facilities as members.

No other 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 2008 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 2008 was $1,745.

MEETINGS OF DIRECTORS

During the 2008 calendar year, the Board of Directors met on 12 February, 19 March, 25 June, 23 October, and 26 November. During the year, the Board conducted a major strategic review with the assistance of Palm Consulting Group, and held a strategic review meeting on 21 July 2008 with the consultant. The Board has developed an extensive risk identification and management process which is monitored by the Audit & Compliance Committee of the Board. This committee led the strategic review process during 2008 with numerous teleconferences.

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 2008

OFFICERS:

Dr John O'Donnell, Director and President (from 19 March 2008)
(Appointed 16 November 2004 and served to 6 April 2005. Appointed to fill vacancy on 16 November 2005. Re-elected 19 March 2008. Elected President 19 March 2008.)

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

Mr Jeff Hollywood, Director and Vice President (to 1 April 2008)
(Elected 29 March 2007, Elected Vice President 19 March 2008, resigned 1 April 2008)

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

Dr Mark Platell, Director and Treasurer
(Elected 29 March 2007, Elected Treasurer 19 March 2008)

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

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 (to 28 February 2009)
(Elected 27 November 1998; re-elected 5 April 2006. Resigned 28 February 2009)

Ms Williams is Chief Executive of Bayside Health in Victoria.

Dr Craig White, Director (to 10 November 2008)
(Elected 29 March 2007)

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

Dr Amanda Ling, Director
(Appointed to fill vacancy on 16 November 2007, elected 19 March 2008)

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

Ms Vivian Blake, Director
(Appointed to fill vacancy on 16 November 2007, elected 19 March 2008)

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

Ms Kathryn Cook, Director
(Elected 19 March 2008)

Ms Cook is the Chief Executive Officer of Western Health in Victoria.

Ms Linda Sorrell, Director
(Elected 19 March 2008)

Ms Sorrell is the Chief Executive Officer of Melbourne Health in Victoria.

Mr Ron Dunham, Director (from 23 October 2008)
(Appointed to fill vacancy on 23 October 2008)

Mr Dunham is the Chief Operating Officer of the Counties Manukau District Health Board in New Zealand.

Dr Karleen Edwards, Director (from 4 December 2008)
(Appointed to fill vacancy on 4 December 2008

Dr Edwards is the Chief Executive of the Central Northern Adelaide Health Service in South Australia.

Dr Adrian Nowitzke, Director (from 4 December 2008)
(Appointed to fill vacancy on 4 December 2008)

Dr Nowitzke is the Chief Executive of the Gold Coast Health Service District in Queensland.

Ms Karen Roach, Director (from 4 December 2008)
(Appointed to fill vacancy on 4 December 2008)

Ms Roach is the Chief Executive of the Northland District Health Board in New Zealand.

Mr Michael Szwarcbord, Director (to 19 March 2008)
(Appointed 16 November 2004 and served to 6 April 2005. Appointed to fill vacancy on 16 November 2005)

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

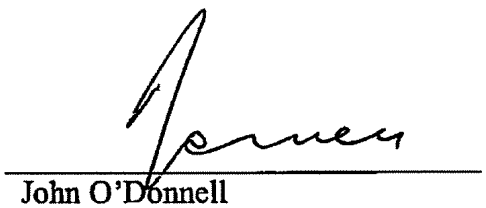
Associate Professor Kaye Challinger, Director and President (to 19 March 2008)
(Appointed 16 October 1998, re-elected 5 April 2006, elected President 6 April 2005. Resigned 19 March 2008)

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

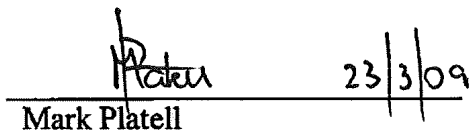
Ms Kerry Stubbs, Director and Treasurer (to 19 March 2008)
(Appointed 25 November 2003, re-elected 29 March 2007. Resigned 19 March 2008)

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

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



John O'Donnell
Director



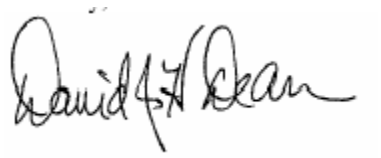
Mark Platell
Director

Date: 23 March 2009

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

Date: 16 March 2009

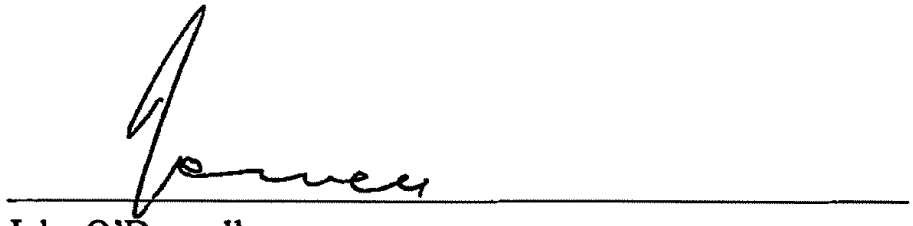
The Health Roundtable Limited ABN 71 071 387 436
Directors' Declaration

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.

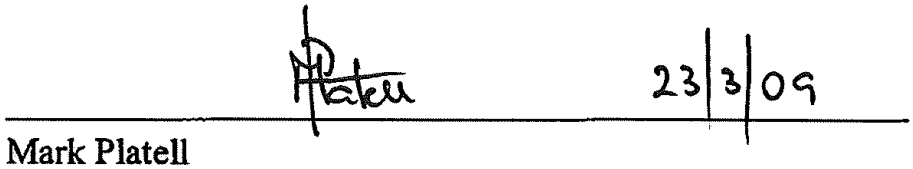
The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 31 December 2008 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.



John O'Donnell
Director



Mark Platell
Director

Date: 23 March 2009

The Health Roundtable Limited ABN 71 071 387 436

Financial Statements

For the year ended 31 December 2008

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 2008

	2008 $	2007 $
Income		
Special project income	158,964	63,940
License & Sponsorship income	47,500	52,592
Subscription fees income	2,129,500	1,359,100
Membership fees	13,200	8,800
Delegate Rego fees	189,223	142,294
Interest received	69,692	44,400
Total income	2,608,079	1,671,126
Expenses		
Audit fees	2,478	2,402
Bank Fees And Charges	367	134
Filing Fees	105	15
Management & Office expenses	56,546	43,982
Insurance	1,745	2,060
Subscription program expenses	2,142,000	1,343,600
Hotel and Venue costs	190,853	144,742
UHC Membership costs	17,321	18,309
Special project costs	187,103	63,940
Total expenses	2,598,518	1,619,184
Profit from Ordinary Activities before income tax	**9,561**	**51,942**

The accompanying notes form part of these financial statements.

The Health Roundtable Limited ABN 71 071 387 436
Balance Sheet As At 31 December 2008

	Note	2008 $	2007 $
Current Assets			
Cash assets	3	65,667	223,441
Receivables	4	184,163	49,987
Current tax assets		99,749	39,148
Total Current Assets		**349,579**	**312,576**
Non-Current Assets			
Other	5	1,035	1,035
Total Non-Current Assets		**1,035**	**1,035**
Total Assets		**350,614**	**313,611**
Current Liabilities			
Payables	6	23,560	8,118
Other	7	165,000	153,000
Total Current Liabilities		**188,560**	**161,118**
Total Liabilities		**188,560**	**161,118**
Net Assets		**162,054**	**152,493**
Equity			
Retained profits		162,054	152,493
Total Equity		**162,054**	**152,493**

The accompanying notes form part of these financial statements.

The Health Roundtable Limited ABN 71 071 387 436

Statement of Cash Flows

For the year ended 31 December 2008

	2008 $	2007 $
Cash Flow From Operating Activities		
Receipts from customers	2,404,211	1,630,203
Payments to Suppliers and employees	(2,631,677)	(1,547,584)
Interest received	69,692	44,400
Net cash provided by (used in) operating activities (note 2)	(157,774)	127,019
Net increase (decrease) in cash held	(157,774)	127,019
Cash at the beginning of the year	223,441	96,422
Cash at the end of the year (note 1)	65,667	223,441

The accompanying notes form part of these financial statements.

The Health Roundtable Limited ABN 71 071 387 436

Statement of Cash Flows

For the year ended 31 December 2008

	2008	2007

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	10,384	6,205
Online Saver Account	55,283	217,236
	65,667	223,441

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

Operating profit (loss) after tax	9,561	51,942
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(134,176)	3,477
Increase (decrease) in trade creditors and accruals	15,442	(1,485)
Increase (decrease) in other creditors	12,000	65,600
Increase (decrease) in sundry provisions	(60,601)	7,485
Net cash provided by (used in) operating activities	**(157,774)**	**127,019**

The accompanying notes form part of these financial statements.

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.

	2008	2007

Note 2: Revenue

Operating Activities:

Other sales revenue	2,538,387	1,626,726
Interest revenue	69,692	44,400
	2,608,079	**1,671,126**

Note 3: Cash assets

Bank accounts:		
Corporate Cheque Account	10,384	6,205
Online Saver Account	55,283	217,236
	65,667	**223,441**

Note 4: Receivables

Current

Trade debtors	184,163	49,987
	184,163	**49,987**

Note 5: Other Assets

Non Current

Preliminary expenses	1,035	1,035
Less: accumulated amortisation	0	0
	1,035	**1,035**

	2008	2007

Note 6: Payables

Unsecured:		
- Trade creditors	23,560	8,118
	23,560	8,118
	23,560	**8,118**

Note 7: Other Liabilities

Current

Advance payments	165,000	153,000
	165,000	**153,000**

Note 8: Auditors' Remuneration

Remuneration of the auditor of the company for:		
Auditing or reviewing the financial report	2,478	2,402
Other services	0	0
	2,478	**2,402**

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 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 2008 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 2008 and the results of its operations for the year then ended.

Signed on : 23 MARCH 2009

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