Australian Private Hospitals Association
Annual Report
2004-05
Private Hospitals – Punching Above Their Weight

- There are 296 private hospitals in Australia, with 24,866 beds – around 32% of all hospital beds in Australia, compared to 761 public hospitals with 53,327 beds.  

- Private hospitals account for almost 40% of all hospital admitted patients in Australia.  

- Private hospitals perform the majority of surgery in Australia – 56%.  

- Interestingly, of the top 10 (in volume) treatments provided by both public and private hospitals, five are identical procedures – with private hospitals performing the majority in four of the five.  

- In 2003-04, private hospitals admitted 2,641,000 patients, up 30.0% on the previous four years. Public hospitals admitted 4,200,000, up 8.0% on the previous four years. Who says private hospitals aren’t easing the pressure on the public system?  

Private Hospitals – Employers & Investors In Health Care

- Over the past decade, full-time equivalent staff in private hospitals has increased by 38% to 46,539. Full-time equivalent staff in day surgeries has increased by over 200% to 2,038.  

- Alarming, since 2001-02 private hospital capital investment has fallen by 31% (from $446,990,000 to $308,806,000). Day surgery capital investment dropped 20% (from $27,285,000 to $21,695,000). These figures starkly reflect the failure of health insurance companies to pass on successive premium increases to health care providers.  

- Australia’s private hospitals invest $35,000,000 a year in the education and training of surgeons, doctors, nurses and other health care professionals. Of this philanthropic investment in the nation’s future medical workforce, private hospitals receive no funding from governments or private health funds.  

“Private Hospitals are mainstream providers of essential health care in Australia.”
Private Hospitals – Providing High-end, Acute Care

- Numerous complex procedures and treatments – traditionally associated solely with public hospitals – now see private hospitals doing the bulk of work (here are a few examples):

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Private Hospitals (%)</th>
<th>Public Hospitals (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sameday alcohol use, disorder and dependence</td>
<td>92%</td>
<td>66%</td>
</tr>
<tr>
<td>Spinal procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major procedures for obesity</td>
<td>90%</td>
<td>65%</td>
</tr>
<tr>
<td>Sleep apnoea</td>
<td>84%</td>
<td>64%</td>
</tr>
<tr>
<td>Cerebral palsy, muscular dystrophy and neuropathy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knee procedures</td>
<td>77%</td>
<td>63%</td>
</tr>
<tr>
<td>Other major joint replacement and limb reattachment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major wrist/hand/thumb</td>
<td>71%</td>
<td>55%</td>
</tr>
<tr>
<td>Hip replacements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sinus, mastoid and complex middle ear procedures</td>
<td>71%</td>
<td>54%</td>
</tr>
<tr>
<td>Major malignant breast conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major eye procedures</td>
<td>70%</td>
<td>53%</td>
</tr>
<tr>
<td>Chemotherapy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


- Private hospitals also perform 46% of all cardiac valve procedures and 42% of all coronary bypass operations and provide 41% of all hospital-based psychiatric care.


- Of the total 660 different procedures and treatments undertaken in Australian hospitals, private hospitals provide 653. The seven exceptions being liver transplant, multiple organ transplants, heart transplant, lung transplant, cardiothoracic/vascular procedures for neonates, severe full thickness burns, and HIV with catastrophic complicating conditions.


- At the last annual count, private hospitals treated some 500,000 accident and emergency cases.


Private Hospitals – Accreditation & Quality

- Private hospitals have a higher accreditation status than public hospitals.


- Private hospitals out-perform public hospitals in all mandatory accreditation criteria, noting performance in quality improvement, consumer rights and responsibilities, legislative requirements and risk management.


- Private hospitals achieved the maximum four-year accreditation from ACHS at more than twice the rate of public hospitals (47% to 22%).


Private Hospitals – In Summary

- No ONE system – public or private – can do everything in health care. Private hospitals are delivering on the promise of a balanced and complementary Australian health care system, meeting growing community expectations about quality, choice, safety, access and affordability, thereby, avoiding the disastrous extremes of the UK and US hospital system experiences.

- APHA summation of the data provided.
On The Policy & Research Front

- **New Direction.** Following its Strategic Planning Session in November 2004, the APHA National Board set new strategic objectives for 2005, which focus on: Increasing profitability of private hospitals; Increasing the credibility and relevance of APHA as an industry organisation; Driving the reform agenda (eg. Quality and Safety); and Recognition and promotion of the private hospital sector’s employment, education, training and research.

- **Commissioned research.** The Board identified a range of actions to progress the above objectives, including the commissioning of several reports by influential consultants, including Access Economics and Allen Consulting. The Board also agreed to engage the high level political consultancy firm Crosby Textor to work with APHA in ensuring the effective placement and dissemination of APHA’s messages on behalf of its members.

- **Submissions.** During 2004-05, the APHA provided formal submissions and also attended public hearings to provide evidence to a range of key inquiries, including the House of Representatives Standing Committee on Health and Ageing’s Inquiry into Health Funding; the Senate Select Committee on Mental Health; the Review of Future Governance Arrangements for Safety and Quality in Health Care; and the Productivity Commission’s study on the Health Workforce; as well as providing considerable input to consultations in a range of policy areas.

- **Portability.** Following the undermining of portability in 2004, the APHA mounted a concerted lobbying and policy development campaign which has resulted in a Government review of the portability provisions. As part of this campaign, the APHA commissioned an independent analysis by Access Economics of the problem and ways forward. This paper has significantly helped inform Government deliberations on portability.

- **Prostheses.** The APHA has continued to work constructively with other stakeholders in an effort to ensure the evolving arrangements for prostheses are as workable as possible, within the parameters of the Principles for the arrangements agreed by Federal Cabinet.

- **Accreditation.** Arising from the APHA Strategic Plan and progressed through the APHA Policy and Advocacy Committee, a small Working Group was established in 2005 to meet regularly with the Senior Executives of the Australian Council on Healthcare Standards.

On the public affairs front

- **Improved media coverage.** Today’s APHA is an influential organisation in generating greater, better informed reporting of private and public health care issues, achieving major and widespread media coverage, and now establishing itself as a valuable ‘go to’ commentator for journalists in placing private hospital issues on the public record and national agenda.

- **Media engagement.** The APHA has instituted a program that takes independently-sourced facts about private hospitals’ mainstream role in providing health care direct to journalists. At the same time, establishing and building relationships with key journalists across Australia. These initiatives have seen private hospital activity widely reported and APHA issues achieve prominence.

- **Political engagement.** The APHA’s lobbying program, engaging politicians across Australia and providing them with relevant information and resources on private hospitals at the political coalface (ie. in their electorates), has emerged as a vital and much relied upon conduit to key decision-makers. These materials have re-surfaced in countless political media releases, speeches and correspondence, edifying the usefulness, influence and resonance of the program.
• **Private Hospital magazine.** The Official Journal of the Association has gone from strength to strength as a unique, worthwhile and hard to ignore vehicle for raising awareness of private hospital activity and issues, while serving as a valuable resource for APHA members. On top of the overhaul that saw circulation increase by 68% (over 2002-03), circulation has increased by a further 10% in 2004-05.

• **Website.** The APHA’s redeveloped website, launched just two years ago, has experienced a dramatic improvement in usage and influence. Over 2004-05 website hits averaged 242,000 per month (up from just 4,000 before the revamp), peaking at a monthly high of 310,000. This makes www.apha.org.au a valuable promotional resource for members and stakeholders, while serving as a dynamic gateway for raising awareness of private hospitals’ role, contribution and value to Australian health care delivery.

• **Non-member revenue.** New, unique and innovative communications tools have been developed by the APHA which, while serving the awareness raising and promotional goals of the Association, also generate valuable new revenue streams, saving APHA members on their annual fees.

On the organisational front

• **New office.** The APHA relocated its National Headquarters from Deakin to new premises in Barton, Canberra, within the Parliamentary Triangle to be closer to the political hub and other influential and high profile industry associations.

• **New Constitution.** The APHA held an Extraordinary General Meeting in August 2004 where the new APHA Constitution was endorsed unanimously by the membership. The new Constitution was produced in consultation with members and replaces the APHA Articles of Association.

• **Financial status.** The APHA continues to perform strongly, with financial returns again in the black for the 2004-05 financial year.

• **Increasing membership.** The APHA has dramatically improved its representative base over the past three years, moving from representing 52% of Australia’s private hospitals, to now reach virtual saturation point at around 75% 2004-05.

• **Increasing sponsorship.** The APHA Major Sponsorship Program welcomed two new sponsors to the program in 2004-05. Melbourne-based company Global Health joined the program in August 2004 and multinational Tyco Healthcare joined in September 2004.

• **Enhanced services.** The APHA has built upon its decidedly ‘value adding’ focus for members, developing new services, more resources, and facilitating improved and relevant opportunities for input, feedback and local level activity and advocacy.

The Hon. Tony Abbott MP, Federal Minister for Health and Ageing, unveils the plaque commemorating the opening of the APHA’s new National Headquarters in Barton, Canberra. Mr Abbott is flanked by APHA Executive Director Mr Michael Roff (left) and APHA President Dr Leon Clark.
About The APHA

As the peak national body representing private hospitals and day surgeries, the Australian Private Hospitals Association (APHA) covers the full spectrum of activity undertaken by these now mainstream providers of health care.

These areas include all surgical and medical specialty areas, accident and emergency, acute care, psychiatry and rehabilitation.

The APHA membership comprises most of Australia’s major private hospital groups, including Affinity Health, Community Private Health Care, Healthscope, Ramsay Health Care and Uniting HealthCare, as well as the nation’s premier large, medium and small independent facilities.

The APHA membership encompasses some 75% of the private hospital sector.

The APHA’s aims are:
• To ensure that Australians are empowered with personal choice and rapid access to affordable hospital care of the highest quality.
• To champion the cause of private hospitals in delivering the very best in hospital care to patients.
• To promote and protect the interests of private hospitals, their owners and operators, and to proactively interact with members, to ensure private health care continues to be dynamic in meeting the ever-changing needs of the Australian community.
• To strive in achieving acceptance by governments of a comprehensive role for private hospitals in their desire to provide a full range of health care services and their commitment to adequate self-regulation and review - thus ensuring the highest standards in quality care.
• To initiate, foster and maintain a consultative, cooperative and communicative approach to dealing with governments, other health and health-related organisations, media, community groups and the public.
• To act as the principal coordinating and peak lobbying body for private hospitals and day surgery facilities.
• To encourage and facilitate united positions among member and non-member private hospitals, as well as all other relevant bodies, to achieve consensus in the policies and issues advanced.
• To promote and recognise the highest professional and ethical standards, health service delivery achievements and innovative medical and non-medical treatments for the betterment of patient and community wellbeing.

Aims And Objectives

Membership of the APHA is voluntary. As such, our members have the utmost commitment to quality services, ethical conduct and professional health care standards.

To achieve these aims, the APHA will:

• To adopt all measures necessary to emphasise the rightful place of private hospitals in Australia’s unique balanced health care system.

“…our members have the utmost commitment to quality services, ethical conduct and professional health care standards.”
Standards

The APHA has, since its inception in 1981, been integral to the achievement and maintenance of the highest standards of patient care within private hospitals.

The APHA, through its various committees, provides input to the establishment and review of the standards drafted by the Australian Council on Healthcare Standards.

Moreover, the APHA has two representatives on the Australian Council on Healthcare Standards.

A Brief History Of The APHA

The APHA was formed in June 1981 as the peak national body representing private hospital interests in Australia.

Prior to its inception, six separate State Private Hospitals Associations – each autonomous bodies – met infrequently to discuss issues of national importance, but without any cohesive national focus.

Between 1981 and 1986, the APHA provided a forum for national action when the need arose, but had no employed staff and no office facilities. During this period the Association proved effective in representing the sector, but with little attention being paid to the Association by outside agencies.

Following the recommendation of an all-State Task Force in 1985 to enhance its national presence, the APHA established a National Office in Canberra in August 1986. The staff consisted of the Executive Director, and a secretary, with operations initially accommodated in the Executive Director’s home.

In November 1987, 87 square metres of rented office space were secured. Over the next two years the workload of the Association increased exponentially resulting in a rapid need for larger accommodation. The Association was incorporated in 1987.

The APHA Board made the decision to build its own offices, and following a joint venture with a Canberra-based developer, the Association moved into its own 500 square metre National Headquarters in March 1990.

The Association has unified the private hospital sector and, with strong leadership and loyal, highly competent staff, has transformed a loose knit group of State organisations into a respected, influential and high-profile peak federal body.

The APHA is recognised by politicians, the media and other health organisations as ‘the’ premier private health body.

In October 1995 the APHA’s Articles of Association where amended to make it a much more representative body, with hospitals and groups of hospitals becoming direct members of the Association rather than the States.

Accordingly the APHA was restructured in 1996, presenting a unique avenue for hospitals to have direct input into APHA policy development. Previously, with only the State Associations being members of the APHA, hospitals had only a vicarious link with the national body.

Following a change of membership in the late 1990s the Association’s Secretariat underwent structural reorganisation.

What emerged was a sharper focus on being ‘the’ leading national voice for lobbying and advocacy, as well as in driving improvements in private health care.

Following this review, the Association has thrived.

Due to the Association’s significant achievements membership is now at an historically high level, with the APHA representing 75% of the private hospital sector.

At no other stage in its 24-year history has the APHA been more active or more committed in representing private hospitals.

Now more than ever, it is essential private hospitals continue to speak with one voice. While the achievements of the APHA have been substantial, the challenges ahead for the private health sector are great and the political landscape is ever-changing.

It is our profound desire to see the Association’s ability to lobby, advocate, liaise and effectively lead private hospitals further bolstered, taking critical issues and concerns to key decision-makers.
It was my privilege to be elected President of the Australian Private Hospitals Association (APHA) in October 2004 and to take over from John Pitson, who had been President for the previous two years.

We owe a great deal to John for his contribution during that time, leaving the Association in a very sound financial position and with the plans completed for transition to new National Headquarters.

The following new members joined the Board:

- Dr Peter Catts, Chief Executive Officer, Independent Private Hospitals of Australia
- Josef Czyzewski, Chief Financial Officer, Healthscope
- Andrew Currie, Chief Executive Officer, Vimy House Private Hospital
- Moira Munro, Chief Executive Officer, Perth Clinic
- Rob Tassie, National Manager, Business Development and Public Affairs, Affinity Health
- Stephen Walker, Chief Executive Officer, St Andrews Hospital, Bundaberg
- Susan Williams, National Psychiatric Manager, Healthscope

Departing members of the Board are as follows:

- Warren Armitage
- Lee Best
- Michael Coglin
- Alan Cooper
- Neil Henderson
- Cathy Miller
- Geoff Sam

Replacing Warren is Richard Royle, Chief Executive Officer, Uniting Healthcare.

I would like to take this opportunity to thank all Board members for their contribution over the past 12 months.

The Association is well served by this extremely cohesive and productive group of men and women who freely give their time on a voluntary basis to further the cause of the entire private hospitals sector.

In November 2004, the Board participated in a Strategic Planning Session facilitated by Dr Norman Swan and defined four key strategic objectives:

1. Increased profitability of private hospitals
2. Increased credibility and relevance of APHA as an industry organisation
3. Driving the reform agenda – eg, quality and safety
4. Recognition and promotion of the private hospital sector’s employment, education, training and research

The Board identified a range of actions to progress these objectives including the commissioning of several reports by influential consultants including Access Economics and the Allen Consulting Group.

In addition, the Board also agreed to engage the high-level political consultancy firm Crosby Textor to work with the APHA in ensuring the effective placement and dissemination of APHA’s message on behalf of members.

The APHA has also undertaken a series of meetings and briefings of key Members of Parliament and Senators, using the reports as background information and releasing these to appropriate key stakeholders.

The main focus of our initial lobbying efforts was around portability as this was identified by the Board as the initial key objective.

Formal discussions have been held with the Australian Medical Association (AMA) and a number of key areas identified which we look forward to progressing with them to the mutual benefit of the members of both associations.

Our discussions with the AMA led to the convening of a ‘Private Health Summit’, conducted at APHA’s new National Headquarters in March this year.

This Summit was attended by representatives of the APHA, the AMA, Catholic Health Australia and the Australian Health Insurance Association.
The meeting included a discussion with the Federal Minister for Health and Ageing, The Hon. Tony Abbott MP, which focussed on how the industry could collaborate to improve the private health product. It is our intention to keep quality of care issues high on our agenda but to keep a watching brief on the implications of releasing information that may be used by the media.

However, the challenges facing all private hospitals in the next year, including the health fund contracting environment, mean that we need to remain vigilant and united to ensure the continued viability of our sector.

A number of initiatives were identified that are being progressed on a collaborative basis by the staff of the respective associations.

As a demonstration of private hospitals’ commitment to quality improvement, the Board determined to impose, as a condition of membership, that all members must maintain quality accreditation. This requires amendments to the APHA Constitution and resolutions will be put to the Annual General Meeting in October 2005.

It is pleasing to see that private hospitals compare more than favourably with comparable public hospitals in the report recently released by ACHS detailing the results of surveys conducted since the implementation of EQuIP 3.

We have initiated regular meetings with the ACHS Executive to discuss issues of mutual interest.

The APHA remains the organisation that represents both the interests of the corporate, not-for-profit and independent hospitals, in addition to our day surgery members.

Our strategic planning process focussed on distilling the sectional interests of the various sector segments to ensure the APHA’s strategic objectives will benefit all members.

Our membership base is strong, our relationships with major stakeholders have been strengthened and the short and long-term goals of the APHA have been set.

However, the challenges facing all private hospitals in the next year, including the health fund contracting environment, mean that we need to remain vigilant and united to ensure the continued viability of our sector.

Dr Leon Clark
President

APHA Annual Report 2004-05
In last year’s Annual Report I mentioned that a federal election was looming. While that election now seems a long time ago, the real impacts of the result, delivering a fourth term and a Senate majority for the Howard Government are only just starting to be played out.

Some pundits (particularly those in the media), speculated that with the ALP’s inability to combine with minor parties in the Senate to amend and block legislation, that the media would be the ‘new opposition’. My view was that Government MPs and Senators (particularly the latter) would now be performing this function and the role of the Coalition Party Room as a policy and legislative review mechanism would be greatly enhanced.

Subsequent events in relation to immigration policy and the sale of Telstra appear to have confirmed this view. Against this background, since the election the Australian Private Hospitals Association (APHA) has been engaging intensively with Government MPs and Senators to enhance their understanding of the private hospitals sector and the issues that we face.

Since the election, the Minister for Health and Ageing, The Hon. Tony Abbott MP, has been articulating an incremental reform program in relation to private health care in a number of speeches. Now the Senate majority is in place, many of these proposals will start to be implemented. The APHA has commenced the process of informing Members and Senators which proposals we support in addition to highlighting areas of concern.

One issue of concern that we have been pushing for the last 12 months is attempting to enshrine the rights of portability of health fund membership. At the time of writing, a conclusion to this process is imminent. So while the wheels of Government may turn slowly, at times, it is possible to make progress.

In the meantime, the changing structure of the sector is continuing apace. This year, increasing consolidation was characterised by the Healthscope acquisition of the Nova hospitals while Ramsay Healthcare is in the process of acquiring the majority of the Affinity group of hospitals. The sale of other facilities such as Freemasons in Melbourne has been notified while the Epworth group expanded with the opening of the new Epworth Eastern facility.

The biggest change on the health fund negotiation front occurred with the Medibank Private RFP process in the metropolitan markets of Brisbane, Gold Coast, Sydney, Melbourne and Adelaide. APHA’s lobbying on the issue entailed advising Government that the arbitrary reduction in contracted beds by the largest health fund would affect access, choice and affordability for its members and may, ultimately, undermine the Government’s stated intention to divest its ownership of Medibank.

Of course, this did not make the process any easier for hospitals and the full impact of this process may not be felt for a year or more, especially if hospitals are faced with unexpected cost increases.

Quality issues were also at the forefront this year. The APHA contributed to the review of the National Arrangements for Safety and Quality of Health Care in Australia, highlighting the failure of the Australian Council for Safety and Quality in Health Care to adequately engage with the private sector. This was recognised in the review report, and when they announced the proposed creation of a new Australian Commission on Safety and Quality in Health Care, Health Ministers emphasised it will have an increased focus on the private sector.

The Australian Council on Healthcare Standards (ACHS) has indicated a willingness for deeper engagement with private hospitals with the establishment, at APHA’s initiation, of a series of regular meetings with a private hospitals working group. Furthermore, ACHS is now actively reviewing the structure of its Board and Council with a view to increasing private sector representation.

The APHA was on the move in more ways than one. In February, we moved into our new National Headquarters, located in the suburb of Barton, in close proximity to Parliament House. The new office was officially opened by the Minister for Health and Ageing, The Hon. Tony Abbott MP, at a function attended by politicians, bureaucrats, the APHA Board, key health industry stakeholders and...
“With the new political landscape and the whiff of health care reform in the air, the next year promises to be even busier than the last year.”

APHA staff. I would like to thank our Finance Manager, Kathryn Lee, and our Office Administrator, Elizabeth Morrison, for their enormous efforts in making the relocation a success.

I must also acknowledge the efforts of John Pitsonis, who stepped down after two years as National President in October 2004. Previously, as Chair of the Finance and Audit Committee, and subsequently as President, John helped oversee the financial resurrection of the Association and steered the decision to relocate through the various Board processes. John also devoted significant amounts of time as President to meeting with politicians, departmental representatives, media and other industry stakeholders.

Dr Leon Clark, CEO of Sydney Adventist Hospital, was elected President in October 2004 and certainly hit the ground running in the wake of the election. In addition to his external representational duties, Leon has worked very hard on relationships with our membership. Firstly through the Board’s strategic planning process, and subsequently through numerous meetings and conversations, Leon has made it a priority to ensure not only that APHA represents all of its members, but also to ensure that the membership is comfortable with the approach taken by the Association.

In his President’s report, Leon has mentioned the Board members who arrived and departed the scene this year. I join him in thanking all of our directors for their efforts, particularly for the guidance they provide to the Secretariat.

Once again, I must acknowledge the generous contributions made by our Major Sponsors and Associate Members. Their support enhances our capacity to advocate on behalf of the sector and is greatly appreciated.

Our membership has continued to grow over the past year, which is an indication that we must be getting something right. If we are not, please let us know. The Association only exists with the support of our members and I thank you for your participation in the activities of the APHA, particularly in relation to the many surveys we have conducted this year.

I realise that such participation can be time consuming, resource intensive and in many ways a distraction from running hospitals. However, the data we gather is essential to provide us with the tools to improve understanding of the sector and to advocate on your behalf.

Of course, none of these efforts would be possible without the dedicated and committed staff in the National Secretariat and I would like to commend their contribution to the success of the Association.

With the new political landscape and the whiff of health care reform in the air, the next year promises to be even busier than the last year.

Michael Roff
Executive Director
Policy & Research

Looking back at the Australian Private Hospitals Association (APHA) 2003-04 Annual Report it is remarkable how many issues are still current for 2004-05: portability; contracting with health funds; prostheses; quality and safety are all still live issues, albeit at the time of writing, some appear to be approaching some form of resolution.

Much of the work on the Policy and Research front in 2004-05 has been guided by the strategic objectives set by the APHA Board at its Planning sessions in late November 2004. APHA President Leon Clark has listed these objectives in his President’s Report.

The Board also identified a range of actions to progress these objectives, including the commissioning of several key papers, on: portability; education and training effort of the private hospitals sector; capital expenditure of private hospitals; and exclusionary health insurance products. Two of the papers are profiled below.

The APHA lodged submissions and provided evidence to several key inquiries during 2004-05, including: the House of Representatives Standing Committee on Health and Ageing’s Inquiry into Health Funding; the Senate Select Committee on Mental Health; and the Review of Future Governance Arrangements for Quality and Safety in Health Care.

Portability of Private Health Insurance

The APHA commissioned Access Economics to examine the issues and assess how portability of private health insurance can be enshrined. The report observes that Federal legislation passed in 1988 sought to ensure portability of private health insurance. In the intervening years there have been major legislative initiatives, in particular the purchaser/provider agreements (contracting) between funds and hospitals/doctors (1995) and Lifetime Health Cover (2000). Lifetime Health Cover (LHC) provides an incentive for people to retain private health insurance cover for the long term.

The report notes that when portability is impaired, LHC is undermined. Despite amendments, the portability provisions have not kept pace with all the intervening changes and no longer provide the consumer protection that is required and expected.

The current obstacles to portability include the complexity and lack of clarity of the legislation, the significant barriers to new entry to the private health insurance market arising from the high degree of regulation of the industry, and the imbalance of information between funds and their members.

This report recommends three steps to enshrine portability:

• Building a stronger overriding principle around the concept that a transferring member should never be worse off than a member maintaining continuous membership with one fund.

The principle also needs to put it beyond doubt that “benefit limitation periods” are waiting periods and are subject to any legislative rules around waiting periods.

• Steps to address member frustration at administrative hassles and health fund concern at administrative costs by building an on-line mechanism for the exchange of data needed for a transfer of membership. The most obvious way to achieve this is to add an additional module to ECLIPSE.

• Making the legislative concept of “broadly comparable benefit” effective by prescribing the broad categories, thereby preventing the funds from using minor differences in benefit entitlements as obstacles to portability.

The APHA has distributed the paper widely to assist a resolution of this pressing and important consumer issue.
Education and Training of Health and Medical Professionals in the Private Hospitals Sector

In an effort to combat popular perceptions with hard evidence, the APHA Board commissioned The Allen Consulting Group to assess the education and training effort of private hospitals. The report found that private hospitals are investing heavily in the education and training of the health workforce and estimated that “the private hospital sector as a whole would spend at least $36 million each year on providing education and training”. The report also found that only a little over one million of this funding effort was recovered by way of fees.

The Allen Consulting Group found in its assessment of the education and training effort of the private hospitals sector that “almost 6800 medical staff and students undertook a total of 152 different education and training programs at 53 [private] hospitals” and that “more than 820 staff were actively involved in delivering medical education and training in 2004…”.

Ample evidence of the (unfunded) effort of the private hospitals sector in the education and training of nurses is contained in the report from The Allen Consulting Group. The report found, for example, that in 2004, “over 26,700 nursing staff and students undertook a total of 543 different education and training programs at 112 [private] hospitals” and that “almost 4000 [private hospital] staff were actively involved in providing nursing education and training in 2004…” The report also found that the types of education and training programs offered by private hospitals “covered a very wide range of training and skills”.

In addition, the report notes that in 2004, “almost 3000 allied health staff and students undertook a total of 117 different education and training programs” and that over 950 staff were actively involved in delivering these courses.

Prostheses

During the year, the APHA continued to work constructively with other stakeholders in an effort to ensure the evolving arrangements for prostheses are as workable as possible, within the confines of the Principles for the arrangements agreed by Federal Cabinet. The key changes under the new arrangements are the introduction of clinical assessment (by clinicians) of prostheses which are then grouped by the clinicians into categories of like clinical effect. These clinical groupings are then used as the basis for negotiations with suppliers/manufacturers by a single Benefit Negotiation Group. Both the Clinical Advisory Groups and the Benefit Negotiation Group report to the Prostheses and Devices Group (on which all stakeholders are represented) which makes recommendations to the Minister for Health and Ageing.

A key outcome of this process will be the introduction of gap payments for some prostheses, although at least one prostheses in each clinical group must be available at no gap to patients. Full details of the new arrangements, such as the proportion of gap and no gap products, were not available at the time of writing.

Private Hospital Sector Utilisation and Benefits

The latest available data from the Australian Institute of Health and Welfare indicates that with around one-third of total hospital beds, the private sector is well and truly meeting the objectives of the Australian Government and shouldering more than its share of the total hospital patient load. For example, in 2003-04 the private hospitals sector provided:

- 77% of knee procedures
- 70% of major lens procedures
- 65% of sameday mental health treatment
- 56% of all surgery
- 55% of hip replacements
- 54% of major procedures for malignant breast cancer
- 53% of chemotherapy
- 46% of cardiac valve procedures
- 42% of coronary bypass procedures
- 41% of all hospital based psychiatry services.
The data also confirms that the private hospitals sector continues to treat a comparable proportion of older patients to the public sector. For example, in 2003-04:

- Patients aged 65 and older comprised 35% of patients treated in private hospitals compared to 34% in public hospitals;
- Patients aged 75 years and older comprised 20% of patients treated in private hospitals compared to 19% in public hospitals; and
- Patients aged 85 years and older comprised 4.1% of patients treated in private hospitals compared to 4.8% in public hospitals.

However, the capacity of the private sector to continue to deliver on Government objectives is being hamstrung by the lack of vision of private health insurance funds. No matter which way the data is analysed, the private hospitals sector is being short-changed by health insurance companies. The APHA has previously demonstrated how the benefits paid to the sector have fallen as a proportion of total health fund benefits. Below are a number of other ways of examining the data.

One way of examining this issue is to assess changes over time in the payment of health fund benefits. For example, the table below compares increases in private health insurance premiums with the changes in health fund benefits paid to private hospitals and day hospital facilities on both a per day and per episode basis from 2002 to 2004.

Another indication of the difficulties facing private hospitals is to examine the changes over time in the average net operating margin for the sector. It is out of their net operating margin that private hospitals finance the education and training of health professionals as well as providing for capital expenditure and other important contingencies. The table below indicates that the ongoing mismatch between the costs of providing private hospital care and the payment of benefits by health funds is having a substantial impact on private hospital operating margins.

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Benefits per episode</th>
<th>% increase benefits per episode</th>
<th>Benefits per day</th>
<th>% increase benefits per day</th>
<th>Average Health fund premiums increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$1,786</td>
<td></td>
<td>$632.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>$1,892</td>
<td>5.9%</td>
<td>$662.80</td>
<td>4.7%</td>
<td>7.4%</td>
</tr>
<tr>
<td>2004</td>
<td>$1,859</td>
<td>-1.7%</td>
<td>$687.70</td>
<td>3.8%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

Source: Calculated from: Private Health Insurance Administration Council Quarterly data.
One of the papers commissioned during the year by the APHA from Access Economics examined capital expenditure. The Board’s decision to commission this paper was prompted by the finding from the Australian Bureau of Statistics (ABS) that capital expenditure in the sector had fallen by a worrying 35% in 2002-03. The Access Economics report updated the ABS data and, in part, compared capital expenditure as a share of income in private hospitals with total business investment. As the chart below indicates, the inevitable result of years of below cost increases in benefits from health funds does have an eventual impact.

The Chart shows that across the economy, business investment as a share of income has been rising steadily for many years. For private hospitals on the other hand, there has been a notable decline in investment as a share of income since 1998-99, and the rate of investment is now well below the economy-wide average, despite the rapid rate of demand growth in the sector.

Private Patients In Public Hospitals

Exacerbating the difficulties faced by private hospitals is the unfair competition by some States and Territories who are employing private patient ‘liaison officers’ and actively poaching private patients.

The second State of our Public Hospitals report was released during the year and its data indicates that at least some State and Territory Governments are continuing to be active competitors with the private hospitals in their jurisdiction. As the table below indicates, NSW in particular, is continuing to actively pursue private patient revenue. In 2003-04, the NSW State Government received 54% of benefits paid by health funds for private patient services in public hospitals—more than all the other States and Territories combined.

Private patient admissions: percentage of public hospital patients 2003-04

<table>
<thead>
<tr>
<th>Rank</th>
<th>State/Territory</th>
<th>2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NSW</td>
<td>11.8%</td>
</tr>
<tr>
<td>2</td>
<td>TAS</td>
<td>11.3%</td>
</tr>
<tr>
<td>3</td>
<td>SA</td>
<td>8.6%</td>
</tr>
<tr>
<td>4</td>
<td>VIC</td>
<td>6.7%</td>
</tr>
<tr>
<td>5</td>
<td>QLD</td>
<td>6.5%</td>
</tr>
<tr>
<td>6</td>
<td>WA</td>
<td>5.2%</td>
</tr>
<tr>
<td>7</td>
<td>ACT</td>
<td>5.2%</td>
</tr>
<tr>
<td>8</td>
<td>NT</td>
<td>2.1%</td>
</tr>
<tr>
<td></td>
<td>Australian average</td>
<td>8.4%</td>
</tr>
</tbody>
</table>
During the year, the Australian Council on Healthcare Standards (ACHS) released the first ever report on the accreditation performance of Australia’s hospitals. This ground-breaking report received some very shoddy coverage in sections of the media but the findings of the report had much positive news on the private hospitals sector. The report provides data and analysis of the results of accreditation surveys conducted by the ACHS in 2003 and 2004 and indicates that:

- Private hospitals gained a higher accreditation status than public hospitals;
- Private hospitals performed better than public hospitals in all mandatory criteria, with statistical differences highlighted in performance in the private and public sectors in all mandatory criteria in the leadership and management group of criteria. The private hospitals performed better in the mandatory criteria for quality improvement, consumer rights and responsibilities, legislative requirements and risk management;
- Private hospitals achieved the maximum four-year accreditation from ACHS at more than twice the rate of public hospitals (47% to 22%).

However, the report also found that across public and private organisations:

- proven systems to effectively identify, report and manage risks across the organisation were identified as inadequate with a Some Achievement rating being allocated in 341 of the 674 organisations (51%).

In-depth analysis in the APHA Quarterly Updates series has kept members up-to-date on health insurance trends.
Since beginning a reinvigorated Public Affairs agenda just three short years ago, the Australian Private Hospitals Association (APHA) has delivered numerous groundbreaking initiatives and landmark achievements that have continued to evolve and develop over the last 12 months.

Backed by in-depth qualitative and quantitative market research, consultation with the APHA membership, and feedback from key stakeholders, the Association’s Public Affairs programs have undergone a phoenix-esque rebirth, driving new communications vehicles through new dissemination avenues to generate renewed impetus for the sector’s role and relevance.

What makes a Communications Strategy ‘a strategy’ – as opposed to a series of ad hoc activities – is the ‘constant drip’ approach, whereby key messages are delivered and regularly backed-up via various layered communications tools, resources and materials, to ensure those messages are received, reinforced and have resonance.

The philosophy that has driven APHA communications, delivered through a rolling Communications Strategy (over 2002-03, 2004 and 2005), has unashamedly developed tools, resources and measures to advocate and disseminate private hospital messages and issues direct to key stakeholders, supported by mass media (public) exposure.

Each of these Communications Strategies has been underpinned by the principals, and desired outcomes, of ‘social marketing’, namely:

1. RAISE the profile of private hospital issues and quality care services;
2. In doing so, BUILD awareness of private hospitals, their role, functions and value to the community and stakeholder groups;
3. Thereby, ESTABLISH confidence, trust and credibility in the information, services, expertise and endeavours of private hospitals, bringing the community and stakeholder groups along on such issues and focusing community and stakeholder attention accordingly; and ultimately
4. INFLUENCE community and stakeholder attitudes, behaviours, decisions and choices.

After three years – where new resources, activities and programs to generate positive perceptions of private hospitals, while wearing down ingrained and, previously unchallenged, negative perceptions of private health care have been implemented – this approach can be assessed.

These Public Affairs imperatives embrace and support a decidedly value-adding focus to APHA membership, through the Association engaging and championing private hospital issues… and ‘being seen’ to do so.

In just three years, the APHA’s communications program has established new relevance for the Association and acceptance of the mainstream role private hospitals now play in Australian health care delivery, across all stakeholder groups and made significant inroads into the attitudes of broader community.
Media Engagement

Three years ago, many journalists, including long-serving senior health journalists in the Parliamentary Press Gallery, were not aware of the existence of the APHA.

This, along with the need to better raise awareness of, and promote, private hospitals’ contribution to Australian health care delivery, prompted Public Affairs to initiate Media Resource Kits, which are now an annual (as well as being updated throughout the year) feature of APHA communications with media.

In fact, these materials have made a demonstrable impression on media coverage of private hospital issues. For example, acceptance of the volume of private hospital care (56% of all surgery) is now commonly reported in media stories and accepted as a truism – this was not the case in 2002. In fact, no-one had any idea, nor cared, how much of the patient load private hospitals carried.

Over 2004-05, the APHA generated so many mainstream media hits (across print media, radio, television, and the Internet) that they literally could not be counted. However, indicative of the prominence of the coverage achieved, the overwhelmingly majority of news articles generated by the APHA appeared within the first 10 news pages of newspapers – ensuring APHA issues could not be ignored.

The APHA is now positioned as a worthwhile ‘go to’ organisation for media comment. This is directly attributable to the value adding materials, constant back-briefings and the relationships fostered over the past three years.

Further, these relationships, and Public Affairs’ proactive approach to them, have enabled the APHA to not only better position and promote private hospitals and Association issues, but to effectively manage issues to avert negative publicity – that is, clear up misconceptions and misunderstandings before they materialise into ‘bad news’ stories that would unfavourably reflect on individual APHA members, the broader private hospital sector, and the Association.

The continual, reliable roll-out of this political communications program has significantly bolstered and enhanced APHA relations with government. Indeed, Ministers, MPs and Senators have commented on the “value” and “usefulness” of the materials.

Political Engagement

In 2003 Public Affairs initiated annual Private Hospital Resource Kits to MPs and Senators – along with regular updates throughout the year. The ongoing nature of these materials is directly responsible for raising awareness of private hospitals (and the Association) among this core audience.

These materials, and the proactive approach to developing value-adding relationships through them, have proven successful because private hospitals (and the Association) are now seen to be ‘politically relevant’ in MPs’ and Senators’ electoral backyards – MPs on an electorate-by-electorate basis, Senators according to their State. These materials were designed with a political synergy in mind, that is, supporting the Federal Government’s private health initiatives (i.e. the 30% rebate on private health insurance and Lifetime Health Cover), adding to their usefulness at the political coalface.

The Office Journal of the APHA, Private Hospital, was in a sorry state in 2002. With a new communications push, Public Affairs rapidly rectified this and redeveloped the magazine into a valuable vehicle for raising awareness of private hospital activity and Association issues – directly delivered to key stakeholders, who have commented positively on its impact – as well as a valuable membership communications tool.

Circulation of the magazine rose 68% in the first year (2002-03) of its overhaul, and, over 2004-05, has experienced an additional 10% increase, largely due to word-of-mouth and it being passed around as a worthwhile read.

Further, advertising volume and revenue has increased noticeably since the overhaul. Capitalising on this, and in recognition of the major editorial role Public Affairs’ now plays in the magazine’s concept creation, writing, layout and editing, Public Affairs negotiated a new three-year contract with the publishers of the magazine, which now delivers a percentage of all advertising revenue from each edition of the magazine to the APHA. Previously the APHA received nothing.
Website

Public Affairs’ redevelopment of the APHA website (www.apha.org.au) has seen this communications tool grow exponentially in proliferating private hospital and Association materials, messages and resources since going “live” in April 2003.

Previously, the old website recorded just 4,820 hits per month. With Public Affairs’ ongoing maintenance, development and upgrading of the new website, over the past year it has averaged 242,000 hits per month – peaking at 309,332 hits in November 2004… a usage increase of up to 7,500% in just two years.

The recorded website usage statistics over 2004-05 speak for themselves.

<table>
<thead>
<tr>
<th>Month</th>
<th>Pages Downloaded</th>
<th>Files Downloaded</th>
<th>Total Hits</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 05</td>
<td>39,553</td>
<td>166,883</td>
<td>225,715</td>
</tr>
<tr>
<td>May 05</td>
<td>42,094</td>
<td>173,969</td>
<td>228,406</td>
</tr>
<tr>
<td>April 05</td>
<td>40,529</td>
<td>162,291</td>
<td>214,850</td>
</tr>
<tr>
<td>March 05</td>
<td>41,394</td>
<td>172,993</td>
<td>229,806</td>
</tr>
<tr>
<td>February 05</td>
<td>39,287</td>
<td>174,886</td>
<td>224,750</td>
</tr>
<tr>
<td>January 05</td>
<td>44,305</td>
<td>181,271</td>
<td>233,903</td>
</tr>
<tr>
<td>December 04</td>
<td>38,076</td>
<td>146,962</td>
<td>195,014</td>
</tr>
<tr>
<td>November 04</td>
<td>45,148</td>
<td>196,020</td>
<td>309,332</td>
</tr>
<tr>
<td>October 04</td>
<td>43,398</td>
<td>192,588</td>
<td>258,433</td>
</tr>
<tr>
<td>September 04</td>
<td>42,056</td>
<td>195,082</td>
<td>261,374</td>
</tr>
<tr>
<td>August 04</td>
<td>43,841</td>
<td>198,084</td>
<td>261,374</td>
</tr>
<tr>
<td>July 04</td>
<td>45,837</td>
<td>187,685</td>
<td>258,185</td>
</tr>
</tbody>
</table>

In total, over the 2004-05 year, 505,518 pages were downloaded, 2,148,714 files were accessed and 2,898,016 hits were recorded on the APHA website.

By way of comparison, the month prior to the launch, the old site recorded the following usage statistics:

<table>
<thead>
<tr>
<th>Month</th>
<th>Pages</th>
<th>Files</th>
<th>Total Hits</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 03</td>
<td>2,051</td>
<td>1,869</td>
<td>4,820</td>
</tr>
</tbody>
</table>

The APHA website going from strength to strength, amassing 3,000,000 hits over 2004-05.
Membership Engagement

Regular, worthwhile, informative and useful communications between the APHA and its membership has been a feature of Public Affairs. Feedback from members in 2002 labelled the APHA “distant”, “hierarchical”, “failing to keep members informed” and “did not deliver visible benefits/advantages” for members.

To the Association’s credit, it acknowledged these shortcomings and set about improving its value-adding interaction with members. Public Affairs played a key role in turning this situation around. The creation and maintenance of a comprehensive database of relevant member contacts – contacts that have proved reliable and informative in seeking member input and feedback, has established a network of public affairs contacts and a valuable forum for exchanging information.

As a result, Public Affairs is available to, and regularly sourced by, APHA members for media and communications advice, guidance and direction.

The internal communications component of the APHA Communications Strategy won the Public Relations Institute of Australia’s (PRIA’s) 2003 ACT State Award for Excellence and was Highly Commended under PRIA’s 2003 national Golden Target Awards. Importantly, these initiatives not only continued over 2004 and 2005, but were built upon with new resources to arm and mobilise the membership at the ‘grass roots’.

For example, this network was pivotal to the success of the APHA’s bid to have the Government’s decision to abolish the Second Tier Default Benefit reversed. This ‘grass roots’ campaign saw great pressure and local level awareness brought to bear on politicians. This then dovetailed with APHA efforts in Canberra to successfully deliver key messages, despite the complexity of the issues, to key decision-makers.

Arming and mobilising the membership in local electorates was decisive in creating a case for Government to abandon its abolition plans. Further development of these kinds of resources for members is ongoing, advanced on a case by case basis, depending on APHA goals and issues.

Regular engagement with members via monthly Calendar of Events, bi-monthly Private Hospital magazine input from members, circulation of media releases and membership updates, notices, advice, and web-based resources has seen a far better relationship fostered and maintained between members and their Association.

Other materials provided to arm and inform members include: Fact Sheets, the Hospital, Medical & Aged Care Buyer’s Directory, a Corporate Directory, the APHA Media Guide, Community Consultation: A Framework, APHA Market Research, lobbying contacts resources for State/ Territory and federal politicians, and annual Private Hospitals: The Facts promotional posters.

In 2005, Public Affairs launched an ‘Issues of the Month’ program, designed to provide APHA members with information and resources they could use in generating local media attention and coverage. This program stalled due to the sensitivities around several issues APHA has driven in early 2005. However, it is expected to resume in due course.

Each of these initiatives has significantly enhanced already established APHA services, such as the APHA Media Clipping Service, the APHA News Service, and Members ONLY Bulletins.

As a result of this new communications push and value-adding membership drive, the APHA’s membership has grown from 52% of the sector (in 2002) to almost 75% of the sector. These programs have generated greatly improved perceptions whereby the APHA is now ‘seen’ by, and “believed” relevant to, private hospitals.

Non-Member Revenue

Public Affairs has also initiated and generated numerous communications tools which, while serving the awareness raising goals of private hospitals (and the Association), have been unique in that they raise annual non-member revenue for the APHA.

These new revenue streams allow the Association to keep a tight rein on annual membership fees to deliver better value for money to APHA members. The annual Hospital, Medical and Aged Care Buyers Guide, 2004-05 wall chart and new three-year contract for Private Hospital magazine returns valuable, and increasing, advertising revenue to the APHA.

These communications tools and APHA revenue streams, including confidence in the magazine as a worthwhile communications and advertising vehicle, are recent Public Affairs innovations.
Production Values

There has been a dramatic improvement in production standards and values across all Public Affairs activities.

In addition to the aforementioned improvements to Private Hospital, the website and creation of new resources (buyer’s directory, wall chart, promotional posters), the APHA’s Annual Reports, Information Booklets for annual APHA Awards for Quality and Excellence, Congress Handbook and materials have all been revamped and brought up-to-speed as professional, worthwhile publications.

All have been consistent with the new APHA branding, driven and undertaken by Public Affairs in 2002-03, developing not only a new logo for APHA, but a re-positioning of the Association to build and establish the new corporate identity it now enjoys.

These, along with a creative view towards many facets of the annual APHA National Congress, annual Awards ceremonies and presentations, have added significantly to the perception of a ‘new improved’ APHA for members and stakeholders.

Indeed, the 2002 APHA National Congress attracted 31 trade booth exhibitors. In 2005, the APHA is on track to fill 49 booths. This represents not only a significant revenue increase for the Association, but indicates that APHA corporate partners and industry suppliers see the organisation as a bigger, better and more relevant body to be involved with.

Joint APHA/AHIA Projects

In July 2004, the APHA joined forces with the Australian Health Insurance Association (AHIA) to highlight the benefits of the 30% rebate on private health insurance and cut through the prevailing murky misconceptions which abounded on its effectiveness and efficiency.

In conjunction with AHIA, the APHA produced and distributed 65,000 brochures to APHA member hospitals to ensure patients, their families and hospital staff were accurately informed about the impact the 30% rebate had made in ensuring private health cover is more affordable, while relieving massive pressure on the public hospital system.

In fact, there was greater cooperation between the APHA and AHIA over 2004-05 through a joint industry taskforce, namely the Private Health Industry Discussion Group. Public Affairs compiled the group’s Information Kit, comprising detailed facts about private hospital activity (at the national and State-by-State levels), market research analysis, research on private hospitals undertaking education and training of the medical workforce, and a survey of private hospitals who had pioneered innovations in health care procedures and technology.

These materials informed and guided the taskforce’s deliberations and strategies over 2004-05 to better position private health care in relation to key stakeholder and community attitudes, especially in ensuring the contribution of private hospitals was appropriately recognised during the 2004 federal election campaign.

Put It All Together

On their own, each of these initiatives has delivered impressive outcomes. But combined in a multi-layered, concerted and complementary communications program, they embody a powerful and highly successful multi-faceted communications strategy which has delivered key messages to target audiences, achieved resonance for those messages and influenced and effected changes in attitudes, behaviours, decisions and choices.

This Public Affairs focus has generated demonstrable achievements in creating and maintaining an astute, strategic communications program that delivers new political, media and community traction; has elevated the contribution and increasing role of private hospitals as mainstream health care providers; has challenged and turned around negative perceptions of the sector; has netted the APHA new and growing revenue streams; and has engaged members and stakeholders in a proactive value-adding way.
The Australian Private Hospitals Association (APHA) maintains several internal committees to assist in the provision of advice and direction in specialist areas.

Many thanks are due to members, each of whom contributed information, ideas and their own time on a range of important issues facing the private hospital sector. A summary of the activities of individual committees follows.

**Industry Promotion & Marketing Committee**

During 2004-05 the following APHA Board Members comprised the Industry Promotion and Marketing Committee.

- Cathy Miller [Chair, part of year]
- Geoff Sam [Chair, part of year]
- Andrew Currie [Chair, part of year]
- Warren Armitage (part of year)
- Robyn Ashe
- Lee Best (part of year)
- Peter Catts (part of year)
- Leon Clark (ex officio, part of year)
- Robert Cooke (part of year)
- Alan Cooper (part of year)
- Pat Grier (part of year)
- Moira Munro (part of year)
- John Pitsonis (ex officio, part of year)
- Chris Rex (part of year)
- Robert Tassie (part of year)
- Ian Thorley (part of year)
- Peter Wilkinson (part of year)

The Industry Promotion and Marketing Committee provides input and guidance on issues relating to profile development, promotion and strategic positioning of the APHA and the private hospitals sector. During the year the Committee drove a targeted communications program, on issues arising from the APHA’s Strategic Planning Sessions in November 2004, supported on in-depth market research to engage key stakeholders, including media and politicians, on core issues affecting the sector.

The Committee also facilitated new promotional and non-member revenue streams, including issuing promotional posters and a new wall chart; a joint promotional campaign with the Australian Health Insurance Association; a new APHA banner; along with lobbying materials at the ‘macro’ (APHA Secretariat) level, which dovetailed with ‘micro’ (local hospital level) lobbying activities, on major issues, including: portability of health insurance for consumers, the Medibank Private tender process and the 30% rebate on private health insurance.

**Policy and Advocacy Committee**

At its meeting on 13 October 2004, the APHA Board approved a proposal for a name change from the APHA Policy and Legislation Committee to the APHA Policy and Advocacy Committee to better reflect the activities and work undertaken by the Committee. The following Directors of the APHA Board comprised the APHA Policy and Advocacy Committee in 2004-05:

- Christine Gee [Chair]
- John Amery
- Warren Armitage
- Dr Leon Clark (ex officio)
- Alan Cooper
- Pat Grier
- Denis Hogg
- Claire Michalanney
- Dr Mark Stephens
- Susan Williams
- Robert Wise

The Policy and Advocacy Committee is responsible for developing and recommending policy and advocacy positions to the APHA Board. In 2004-2005 the Committee’s activities were structured around its Workplan which articulated and progressed substantial elements of the APHA Strategic Plan. The Committee focused on a range of key issues, including: the contracting environment; portability; the new prostheses arrangements; health workforce initiatives; quality and safety.

**Psychiatry Committee**

During 2004-05 the following members comprised the Psychiatry Committee.

- Christine Gee [Chair]
- Sue Feeney
- Moira Munro
- Jane Pickering (part of year)
- Chris Tanti (part of year)
- Carol Turnbull
- Anthony Wallace (part of year)
- Andrew Weston
The Psychiatry Committee comprises a representative from each State and is chaired by the Psychiatry representative on the APHA Board. In addition to its advice to the APHA Board, the Committee also provides input to APHA’s representatives on the Strategic Planning Group for Private Psychiatric Services (SPGPPS). The Chair of the National Network of Private Psychiatric Sector Consumers and Carers is a permanent observer on the Committee.

Committee activities during the year were guided by its Workplan and included: a thorough assessment of issues relating to the Centralised Data Management System; leading a co-ordinated industry and consumer response to the undermining of portability; and ongoing consultation regarding accreditation issues for private mental health facilities. During the year, the Committee provided a submission to the Senate Select Committee on Mental Health and was also involved in a number of national consultations, including the mental health workforce and patient safety in mental health services.

APHA National Private Rehabilitation Group

The following representatives comprised the APHA National Private Rehabilitation Group during the year.
- Robyn Ashe [Chair]
- Regan Brown
- Rodney Nissen
- Bruce Pickering
- Kaye Rollinson
- Campbell Telford

The APHA National Private Rehabilitation Group comprises representatives from States with private rehabilitation beds and is chaired by the Rehabilitation representative on the APHA Board.

Activities during the year were focussed around the Group’s Workplan and included: retention of the Second Tier Default Benefit and a reassessment of its rehabilitation-specific criteria; and issues relating to the Australasian Rehabilitation Outcomes Centre (AROC).

The APHA NPRG also continued to engage and work constructively with other stakeholders through the Consultative Committee on Private Rehabilitation which draws its representation from private hospitals, private health insurance funds, the Australian Faculty of Rehabilitation Medicine, consumers, the Department of Veterans’ Affairs and the Department of Health and Ageing.

During the year, the Consultative Committee recommended to the Department of Health and Ageing revised Minimum Requirements for Private Rehabilitation Services.

APHA/ACHS Working Group

During 2004-05 the APHA Board approved the establishment of a small group to meet regularly with the senior staff of the Australian Council on Healthcare Standards. The following members comprised the APHA/ACHS Working Group in 2004-05:
- Christine Gee (Chair)
- Dr Leon Clark
- Dr Mark Stephens
- Stephen Walker
- Dr Clive Wellington

The APHA/ACHS Working Group provides an opportunity to discuss issues of importance to members that are more appropriately progressed in a small joint forum rather than via APHA’s representatives on the larger and more broadly-based ACHS Board and Council.

Nursing Recruitment and Retention Taskforce
- Claire Michalanney [Chair]
- Pam Barry
- Sally Faulkner
- Lucy Fisher
- Gavin O’Meara
- Patricia Snowdon
- Nicole Waldron

The Nursing Recruitment and Retention Taskforce worked on several fronts during the year in an attempt to address the difficulties posed to the private hospital sector by the nursing shortage crisis, in particular, by working closely with the National Nursing and Nursing Education Taskforce. This Taskforce was established by Health and Education Ministers to recommend ways to implement recommendations of the National Review of Nursing Education.
External Committees

The APHA continues to be represented on a wide range of external committees. These include:

- Australian Clinical Costing Casemix Committee
- Australian Council on Healthcare Standards
- Australian Council for Safety and Quality in Health Care
- Australian Hospital Statistics Advisory Committee
- Coding Standards Advisory Committee
- Community Services and Health Training Australia
- Consultative Committee on Private Rehabilitation
- Federal Privacy Commissioner’s Health Leaders Forum
- HealthConnect Stakeholder Reference Group
- Health Insurance Commission Stakeholder Advisory Group
- Health Sector Infrastructure Assurance Advisory Group
- Highly Specialised Drugs Working Party
- Joint Committee on Private Health Insurance and Hospital Business Standards
- MediConnect Hospital Working Group
- Mental Health Privacy Coalition
- National Centre for Classification in Health, Management Advisory Committee
- National Day Surgery Council
- National Health Data Committee
- National Health Performance Committee
- National Prescribing Service
- National Procedure Banding Committee
- Occupational Health and Safety Advisory Committee
- Prostheses and Devices Committee
- Prostheses Policy Advisory Group
- Second Tier Benefit Advisory Committee
- Standards Australia Committees
- Strategic Planning Group for Private Psychiatric Services
- Joint Committee on Private Health Insurance and Hospital Business Standards
- MediConnect Hospital Working Group
- Mental Health Privacy Coalition
- National Centre for Classification in Health, Management Advisory Committee
- National Day Surgery Council
- National Health Data Committee
- National Health Performance Committee
- National Prescribing Service
- National Procedure Banding Committee
- Occupational Health and Safety Advisory Committee
- Prostheses and Devices Committee
- Prostheses Policy Advisory Group
- Second Tier Benefit Advisory Committee
- Standards Australia Committees
- Strategic Planning Group for Private Psychiatric Services
- Joint Committee on Private Health Insurance and Hospital Business Standards
- MediConnect Hospital Working Group
- Mental Health Privacy Coalition
- National Centre for Classification in Health, Management Advisory Committee
- National Day Surgery Council
- National Health Data Committee
- National Health Performance Committee
- National Prescribing Service
- National Procedure Banding Committee
- Occupational Health and Safety Advisory Committee
- Prostheses and Devices Committee
- Prostheses Policy Advisory Group
- Second Tier Benefit Advisory Committee
- Standards Australia Committees
- Strategic Planning Group for Private Psychiatric Services

APHA Member Services

Each APHA member is eligible for the following services, benefits and cost savings.

APHA National Congress & Conferences

- Discounted registration fees for all APHA conferences, including the annual APHA National Congress.
- Opportunities to present at plenary sessions, as part of the APHA National Congress.
- Discounted travel and accommodation for the APHA National Congress. (See Commercial Services below).

Private Hospital Magazine

- Yearly subscription to Private Hospital, distributed five times a year (February, April, June, August and October) to key decision-makers within the private and public health care system.
- The magazine has been redeveloped as a vehicle for promoting what private hospitals and day surgeries are doing. Stories on pioneer treatments,

“The APHA continues to be an active voice on a wide range of external committees”
philanthropic undertakings, world and Australian firsts, human interest stories, redevelopments/expansions and new services, etc., are welcome from all members for all editions. The magazine is distributed to all federal and State/Territory politicians, key stakeholder groups, mainstream media, specialist health media, and others.

**APHA News Service**
- Weekly updates and briefs distributed by e-mail, in the APHA News Service.

**Members Only Bulletins**
- Special information and advice for members, as issues of importance arise.

**APHA Media Clipping Service**
- Discounted subscription to the weekly APHA Media Clipping Service for private hospitals (the cost to members is $825.00 per year – to engage media monitoring services can cost around $25,000.00 per year). This is an ideal way to ensure executive staff receive up-to-date, comprehensive media information relevant to the private hospital sector.

**APHA Information Paper Series**
- Free subscription to the APHA Information Paper Series
  - Quarterly APHA Update issued four times a year and Private Hospitals In Focus issued annually (usual cost to non-members is $825.00 per year).

**Promotional Poster**
- The APHA generates and disseminates a promotional poster to highlight the facts and figures denoting the positive impact private hospitals make to mainstream health care delivery in Australia, displayed in member hospitals, to better inform patients, their visitors and hospital staff. This is provided free of charge to APHA members.

**Hospital, Medical & Aged Care Buyer’s Directory**
- Complimentary subscription to the official, APHA endorsed, A-Z cross-referenced, full-colour guide to purchasing products and services across the health care sector.

**Prominent Acknowledgment on the APHA Website**
- Each member hospital and day surgery is included in an online national and State by State break down of member facilities, this quick index denotes hospital details such as address, contact numbers, and the specialty services provided.

**Access to the Member’s Area of the APHA Website**
- This password-protected section of the website contains useful resources for the information of members only, including: Corporate Directory, Public Affairs materials, Policy and Research developments, and details on each of the APHA Committees.

**Annual APHA/Baxter Awards for Quality & Excellence**
- The APHA Awards for Quality and Excellence are sponsored by Baxter Healthcare. These awards are ‘the’ prestigious accolades for private hospitals, recognising the pursuit and achievement of excellence. There are several categories:
  - The APHA Team Award For Excellence
  - The APHA Hospital Award For Excellence (Up To 70 Beds)
  - The APHA Hospital Award For Excellence (Over 70 Beds)
  - The APHA Award For Individual Achievement

**Use of APHA Logo**
- Each APHA member is entitled to display/use a special version of the APHA logo, upon request, in promotional materials – subject to terms and conditions.
National Procedure Banding Schedule

- APHA compiles and distributes the National Procedure Banding Schedule, classifying the Medicare Benefits Schedule items into theatre bands for charging purposes. It is an essential tool for every private hospital and day surgery centre. It is accessible via a hard-copy print-out version, as well as a diskette version, appropriate WINDOWS or DOS based database or spreadsheet applications, or through the subscription sub-site on the APHA's website home page.

- Hard-copy/disk versions are available to APHA members for $165.00 per year and non-members for $825.00 per year. The website option is free to APHA members and is priced at $825.00 per year for non-members. An authorisation password is necessary to access the NPBS via the Internet.

Exclusive Commercial Services

- Using the purchasing power of the Association, the expertise of APHA staff and the administrative infrastructure, the APHA has built a range of commercially valuable services exclusively for the benefit of members. Current services include:
  - The APHA/Baxter Growth Incentive Program (GRIP), provides cash rebates to APHA members who purchase products from Baxter Healthcare.
  - 12% rebate on QANTAS domestic travel and 6% discount on QANTAS international travel through APHA QANTAS Travel Rebate Scheme.
  - Special Corporate Membership Rate – QANTAS Club.
  - Special corporate rates on Hertz hire cars throughout 24th APHA National Congress.
  - The Accor Business Travel Program offers APHA members up to a 25% discount on room rates at 750 selected Accor Hotels across Australia, the Asia Pacific Region and the rest of the world.
  - Heavily discounted rates for APHA members for the Recall SDS DeStroy service. Recall securely collects confidential materials which are then shredded or pulverised to render them unrecognisable and unusable, then recycled whenever possible.
24th APHA National Congress

Conrad Jupiters
Gold Coast
11-12 October 2004

‘The Expanding Role of private Hospitals: providing patients with much, much more’, the theme for the 2004 APHA National Congress, tackled the vital issues affecting Australia’s private hospitals.

With private hospitals now mainstream providers of health care in Australia, this vibrant sector is continually evolving to meet the new and emerging challenges of health care delivery and consumer expectations about quality and safety.

Official Opening

Professor Tom Rundle was the Keynote speaker for the 2004 Congress. He is the Henry J Kaiser Professor of Organised Health Systems at the University of California, Berkeley and is also Chairman of the Board of Directors of the John Muir/Mt Diablo Health Network, a 700-strong physician organisation.

Seeking to gain maximum value from his attendance, Prof Rundle was prevailed upon by the APHA to also conduct a special pre-Congress session on the Sunday afternoon, as well as providing the closing Congress Summary.

Prof Rundle proved an engaging and most informative speaker who led his Sunday audience through the intricacies, strengths and weaknesses of the US health system, identifying along the way seven key challenges for the present and future, namely:

- improving the quality of care,
- paying for new effective and expensive technology,
- increasing health care expenditure,
- the growing numbers of people without health insurance,
- increasing demand for care,
- the health workforce, and
- the regulatory system.

This session was very relevant because, with the exception of growth in the number of uninsured people, each of the other six challenges also face the Australian health system.

Prof Rundle offered a detailed exposition of Pay for Performance (P4P) arrangements. He placed the emergence of the initiative firmly in the context of concerns over quality of care and noted that it is currently the top issue on the US health financing policy agenda.

He provided details of several P4P arrangements, including a large three-year project, the CMS/Premier Hospital Quality Incentive Demonstration.

Summing up, Prof Rundle noted that P4P, in general, had to date targeted particular dimensions of quality of care with most focus on structural or clinical processes, with little use, for example, of measures of patient satisfaction. He also noted that to date there appeared to have been little emphasis in P4P arrangements on rewarding quality improvement.

Crossing Over

This session examined the motivating factors that drive personnel to increasingly switch their career path from the public to the private hospital system - exploring the doctor’s, nurse’s and manager’s perspectives.

AMA Federal President Dr Bill Glasson provided the doctor’s perspective by recounting a parable about two pigs and their pie shops.

One pig had a government controlled pie shop that produced a standard product, limited by severe cost controls where customers had no choice and had to queue to receive their pies, which were free at the point of delivery.

The other pig operated independently of government and was able to produce a wide range of pies depending on what his customers wanted. This pig was able to charge a premium price for his pies as people appreciated the choice and flexible opening hours.

Dr Glasson warned private hospitals against contracting with government, which he asserted would undermine their independence.

The nurse’s perspective was provided by Associate Professor Patricia Snowden, Director of Nursing at the Mater Private Hospital in Brisbane.

Professor Snowden presented findings from a benchmarking study into nursing recruitment and retention conducted by Best Practice Australia.

This research indicates that private hospital nurses are generally less...
satisfied with their remuneration levels compared with their public sector counterparts.

However, private sector nurses generally regarded private hospitals as providing a more caring work environment, better customer focus, better quality, greater autonomy and better involvement in management decisions.

These less tangible factors override the pay issues to make private hospitals a more attractive employment option.

Mr Alan Cooper, CEO of the Friendly Society Private Hospital in Bundaberg (north Queensland), characterised the inflexible bureaucracy inherent in the public system by recalling the letter he received when he commenced nursing training in a public hospital.

The letter detailed grooming requirements including which type and colour of stockings he should wear!

In a career that spanned all levels of the public system, Mr Cooper was struck by a lack of opportunity to express initiative and innovation, with strategic and operational plans set from ‘on high’.

The lack of support from head office coupled with inappropriate and inequitable funding, led to a culture of blame where patients were treated with indifference.

After ‘crossing over’, Mr Cooper discovered the greater business focus of the private sector, relatively free from political interference, meant the organisation valued its staff and gave them real input into the strategic and operation directions and the capacity to effect change within the organisation.

Teams were motivated to succeed, treat each patient as an individual and strive for high levels of quality.

All of these factors led to improved staff morale and made for a better working environment.

**CEO Roundtable**

The CEO Roundtable was again a highlight of the Congress. This year bringing together a cross-section of the major decision-makers in private hospitals, private health insurance companies and the Department of Veterans’ Affairs.

Despite it being the final plenary session of Congress, the session was well attended with an interested and participative audience.

With discussion facilitated by former Federal Health Minister Dr Michael Wooldridge, the CEOs found areas of agreement, as well as points of difference and the discussion was conducted within a positive and generally forward-looking framework.

Not surprisingly, the contracting environment received considerable attention in the discussion and during question time.

Hospital representatives emphasised the need for immediate legislative reform to improve the contracting environment.

The need for greater standardisation of health fund processes and documentation were raised by hospitals, who also questioned the rationale behind the multiplicity of health fund questionnaires creeping into the pre-contracting process.

Insurance representatives were keen to investigate means by which to grow the insured market and some support from hospital representatives was evident for the removal of fringe benefits tax from employer contributions to employee health insurance premiums as a mechanism to increase the attractiveness of private health insurance and, thereby, boosting the pool of insured people.

Agreement was evident also around Pay for Performance initiatives, although hospital representatives counselled the need for prior agreement on sector-wide indicators, analysis and reporting.

Hospital representatives were also keen to ensure that any such arrangements place their emphasis on rewarding quality care, rather than focussing on penalties alone.

Closing the discussion, Dr Wooldridge noted that following the 2004 federal election, the health care system was entering a period of relative political stability which offers the opportunity to address problem areas, as well as creating space for the sector to promote innovation, improve quality and facilitate standardisation.

The CEO Roundtable saw hospital and health insurance company heavyweights get down to tintacks.
The 17th annual APHA/Baxter Awards for Quality and Excellence were a formal affair at Conrad Jupiters on the Gold Coast last October.

The ‘Casino Royale’ theme proved a winner with punters as around 300 guests rolled through the evening to the early hours.

The event also marked the 16th consecutive year Baxter Healthcare has backed the Awards and, to Maree Coy and the entire team at Baxter, the APHA extends its thanks and appreciation.

The APHA also welcomed Queensland Health Minister, The Hon. Gordon Nuttall MP, for being the Association’s special guest and presenting Awards.

APHA Executive Director Michael Roff said he was pleased to see the Awards established and growing as the highest honours available in the private hospitals sector.

The 2004 finalists were selected from high quality nominations, making the ultimate choice of winners extremely difficult for the judges. But as usual, there can only be own winner in each category.

Epworth Hospital

Melbourne’s Epworth Hospital took out top honours in the prestigious 2004 APHA Awards for Quality and Excellence, winning the ‘Team Award for Service Excellence’.

In late 2003, Epworth Hospital established the ‘team’, comprising two cardiac surgical and two urological surgical teams, to operate its new state-of-the-art $3 million Da Vinci Robotic Surgical System – the first and only robotic system in Australia.

Its mission was to deliver international best-practice robotic surgical services to Epworth’s patients.

Robotic-assisted minimally invasive surgery represents an extraordinary technological advance for a broad range of procedures traditionally requiring open surgery. By enabling surgeons to perform complex operations through small incisions, it diminishes the level of patient trauma and helps dramatically improve patient outcomes.

Some of the results for a range of cardiac and urological procedures include:

- Patient recovery rates up to 3-4 times faster,
- Average hospital stays reduced by at least 50%,
- Significantly reduced blood transfusion rates in all operations, and
- Less post-operative trauma and complications.

Established in April 2004, the Australian Institute for Robotic Surgery at Epworth Hospital is now the ‘home’ of the new surgical service and provides an important, collaborative framework for research activities.

“The 2004 finalists were selected from high quality nominations, making the ultimate choice of winners extremely difficult for the judges.”
It demonstrates Epworth’s commitment to the latest technology to deliver improved outcomes for patients, with the team pioneering the introduction of this new and powerful surgical technique in Australia.

The Australian Institute for Robotic Surgery at Epworth Hospital team’s endeavours demonstrate private hospitals are at the forefront pioneering new technology to address the practical and ever-changing needs of the community, providing for improved patient quality of life, and doing so through a more efficient use of finite healthcare resources.

Competition in this category was so strong in 2004 that the judges decided to award Special Commendations to both runner-up finalists, Greenslopes Private Hospital in Queensland (for their Wellness Program) and Perth Clinic in WA (for their Catering Department).

Greenslopes Private Hospital

Brisbane’s Greenslopes Private Hospital won the coveted ‘Hospital Award for Excellence – Over 70 Beds’ category under the 2004 APHA Awards for Quality and Excellence.

Australia’s largest private hospital, Greenslopes, is owned and operated by Ramsay Health Care and provides a wide range of surgical and medical services to the Brisbane and South East Queensland communities.

Over the past two years Greenslopes has undergone significant service changes and major redevelopments including the addition of 90 single rooms, four operating theatres, 32 new specialist consulting suites, expansion of the Renal Unit, day oncology facility and sleep units and the development of a new cardiac centre—the largest Coronary Care Unit in Queensland.

The hospital was also the first hospital in Queensland to introduce low-dose brachytherapy for the treatment of prostate cancer.

Previously patients and their families were forced to travel interstate for this treatment. Greenslopes is now the largest provider of low-dose brachytherapy in Australia.

The hospital has a close association with the University of Queensland as a major teaching hospital, employing 37 junior medical officers, as well as providing a broad range of placements for medical, nursing and allied health students each year.

The active involvement of Greenslopes clinicians in teaching and research helps to ensure the hospital remains at the forefront of clinical expertise ensuring patients receive the best care and treatment available.

The hospital’s exceptional performance has been recognised by various external bodies including:


- Awarded Registered Training Organisation status, enabling GPH to deliver nationally recognised programs (April 2003).
- Awarded the 2004 Large Employer of the Year at the Queensland Training Awards.
- Shortlisted as State finalists in the Australian Human Resources Institute Award in 2004.
- The Wellness Centre initiative was a finalist in the 2003 and 2004 APHA Team Awards for Service Excellence.
- Winner of the Community Services and Health Industry Award under the 2004 Australian Training Awards by the Australian National Training Authority.
Brian Lee

Brian Lee, former Area Managing Director (Australia/New Zealand) of global health care company Baxter Healthcare, was been recognised with the private hospital sector’s ‘Individual Award for Achievement’ under the 2004 APHA Awards for Quality and Excellence.

This Award recognises the recipient’s contribution to the viability, growth, quality and achievements of the private hospital sector.

As a leading manufacturer and supplier of innovative, critical therapies for life-threatening conditions, Baxter Healthcare under Mr Lee has been successful and industry-respected corporate leader, building meaningful and lasting relationships within both the Government and private health sectors over his 27 years with the company.

Mr Lee was responsible for entering into Major Sponsorship of the APHA - the first corporate body to do so; establishing the APHA Awards for Quality and Excellence to stimulate, encourage and recognise the pursuit and achievement of ‘best practice’ in hospital care – supporting the Awards for the past 16 years; and introducing the Baxter Growth Incentive Plan (GrIP), which has rewarded participating APHA hospitals with over $2,000,000 in cash rebates.

Indeed, he has been a major advocate and active supporter of ‘quality’ initiatives and improvement programs across all facets of Australian health care.

Despite his ‘corporate’ background, he has been pro-active with many not-for-profit organisations to improve access to, and equity of, health care services for the entire community.

A stalwart of the health sector, Mr Lee has been recognised by numerous State Governments and Industry Groups for his commitment to quality and excellence, and is a former President of Medical Industry Association of Australia.

Renowned throughout the health sector for his integrity, professionalism and dedication to advancing the best in health care, Mr Lee is a passionate believer in “doing business well, by doing good”.

“We recognise Brian for his unwavering commitment to, and support, of private hospitals, the Australian Private Hospitals Association, and these Awards, over an impressive career of achievement, innovation and goodwill,” Michael Roff, APHA Executive Director, said.
Elections for the APHA National Board are conducted in October each year.

The following list represents the membership of the National Board up to 16 October 2004

Representatives

<table>
<thead>
<tr>
<th>Representing Not For Profit Small Groups/Large Independent</th>
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<tbody>
<tr>
<td>DENIS HOGG Epworth Hospital</td>
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<tr>
<td>LEON CLARK Sydney Adventist Hospital</td>
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<tr>
<th>Representing For Profit Small Groups/Large Independent</th>
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<tr>
<td>JOHN PITSONIS Community Private Health Care</td>
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<thead>
<tr>
<th>Representing Not For Profit/Large Groups</th>
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<tr>
<td>WARREN ARMITAGE Uniting Healthcare</td>
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<tr>
<th>Representing For Profit/Large Groups</th>
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<tbody>
<tr>
<td>MICHAEL COGLIN Healthscope</td>
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<tr>
<td>ROBERT COOKE Affinity Health</td>
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<tr>
<td>PAT GRIER Ramsay Health Care</td>
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<tr>
<td>NEIL HENDERSON Healthscope</td>
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<tr>
<td>CHRISTOPHER REX Ramsay Health Care</td>
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<tr>
<td>GEOFF SAM (from 25 May 2004) Nova Health</td>
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<tr>
<td>IAN THORLEY Benchmark Healthcare</td>
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<tr>
<th>Representing For Profit/Small Independent</th>
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<tr>
<td>ALAN COOPER Friendly Society Private Hospital</td>
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<tr>
<th>Representing For Profit/Small Independent</th>
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<tr>
<td>CLAIRE MICHALANNEY Sportsmed SA</td>
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<tr>
<th>Representing Rehabilitation Hospitals</th>
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<tr>
<td>ROBYN ASHE Ramsay Health Care</td>
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<tr>
<th>Representing Psychiatric Hospitals</th>
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<tbody>
<tr>
<td>CHRISTINE GEE Toowong Private Hospital</td>
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<tr>
<th>Representing Ambulatory Care</th>
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<tr>
<td>MARK STEPHENS Chesterville Day Hospital</td>
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Regional Board Members

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<tr>
<th>JOHN AMERY Queensland</th>
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<tbody>
<tr>
<td>LEE BEST Western Australia</td>
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<tr>
<td>CATHERINE MILLER South Australia</td>
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<tr>
<td>GEORGE TOEMOE New South Wales</td>
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<tr>
<td>ANDREW WESTON Tasmania</td>
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</table>

The following represents the membership of the APHA Board from 16 October 2004, following the 2004 elections.

<table>
<thead>
<tr>
<th>Representing Not For Profit Small Groups/Large Independent</th>
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<tbody>
<tr>
<td>LEON CLARK Sydney Adventist Hospital</td>
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<tr>
<td>GEORGE TOEMOE St Luke’s Hospital Complex</td>
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<table>
<thead>
<tr>
<th>Representing For Profit Small Groups/Large Independent</th>
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<tbody>
<tr>
<td>PETER CATTS Independent Private Hospitals of Australia</td>
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<thead>
<tr>
<th>Representing Not For Profit/Large Groups</th>
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<tbody>
<tr>
<td>ROBERT COOKE Affinity Health</td>
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<tr>
<td>JOSEF CZYZEWSKI Healthscope</td>
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<tr>
<th>Representing Psychiatric Hospitals</th>
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<tbody>
<tr>
<td>PAT GRIER Ramsay Health Care</td>
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<tr>
<td>CHRISTOPHER REX Ramsay Health Care</td>
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<tr>
<td>GEOFF SAM (to 23 May 2005) Nova Health</td>
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<tr>
<td>ROBERT TASSIE Affinity Health</td>
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<tr>
<td>SUSAN WILLIAMS Healthscope</td>
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<tr>
<td>ROBERT WISE Affinity Health</td>
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</tbody>
</table>
Representing Not For Profit/Small Independent

ALAN COOPER
Friendly Society Private Hospital

Representing For Profit/Small Independent

ANDREW CURRIE
Vimy House Private Hospital
CLAIRE MICHALANNEY
Sportsmed SA

Representing Rehabilitation Hospitals

ROBYN ASHE
Ramsay Health Care

Representing Psychiatric Hospitals

CHRISTINE GEE
Toowong Private Hospital

Representing Ambulatory Care

MARK STEPHENS
Chesterville Day Hospital

Regional Board Members

JOHN AMERY Queensland
STEPHEN WALKER South Australia
ANDREW WESTON Tasmania
DENIS HOGG Victoria
LEE BEST Western Australia (to 16 March 2005)
MOIRA MUNRO Western Australia (from 9 May 2005)

Board committees

Executive Committee

• Leon Clark (Chair), Sydney Adventist Hospital
• Robert Cooke, Affinity Health
• Alan Cooper, Friendly Society Private Hospital
• Andrew Currie, Vimy House Private Hospital
• Josef Czyzewski, Healthscope
• Christine Gee, Toowong Private Hospital
• Denis Hogg, Epworth Hospital
• Christopher Rex, Ramsay Health Care
• George Toemoe, St Luke’s Hospital Complex

The Executive Committee met on a regular basis, guiding activities between Board meetings.

Finance and Audit Committee

• George Toemoe (Chair), St Luke’s Hospital Complex
• Leon Clark, Sydney Adventist Hospital
• Andrew Currie, Vimy House Private Hospital
• Josef Czyzewski, Healthscope
• Moira Munro, Perth Clinic
• Stephen Walker, St Andrew’s Hospital
• Andrew Weston, The Hobart Clinic

The Finance and Audit Committee oversees the financial management of the Association. The Committee reports on a regular basis to the Board on the financial status of the APHA and also makes recommendations to the Board in relation to future membership levies, annual budgets and financing issues.

Industry Promotion and Marketing Committee

• Andrew Currie (Chair), Vimy House Private Hospital
• Robyn Ashe, Ramsay Health Care
• Peter Catts, Independent Private Hospitals of Australia
• Leon Clark, Sydney Adventist Hospital
• Moira Munro, Perth Clinic
• Christopher Rex, Ramsay Health Care
• Robert Tassie, Affinity Health

The Industry Promotion and Marketing Committee provides input and guidance on issues relating to promotion of the private hospitals sector.

Policy and Advocacy Committee

• Christine Gee (Chair), Toowong Private Hospital
• John Amery, Mater Misericordiae Hospital Townsville
• Leon Clark, Sydney Adventist Hospital
• Alan Cooper, Friendly Society Private Hospital
• Pat Grier, Ramsay Health Care
• Denis Hogg, Epworth Hospital
• Claire Michalanney, Sportsmed SA
• Mark Stephens, Chesterville Day Hospital
• Susan Williams, Healthscope
• Robert Wise, Affinity Health

The Policy and Advocacy Committee is responsible for recommending policy positions to the Board.

**National Board Meetings**
16 August 2004 Melbourne
13 October 2004 Gold Coast
29 November 2004 Sydney
18 February 2005 Sydney
24 May 2005 Canberra

The APHA Board met five times over the course of 2004/2005.

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<thead>
<tr>
<th>Director</th>
<th>Board Meetings</th>
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<tbody>
<tr>
<td></td>
<td>Meetings Attended</td>
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<tr>
<td>John Amery</td>
<td>4</td>
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<tr>
<td>Warren Armitage</td>
<td>5</td>
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<tr>
<td>Robyn Ashe</td>
<td>5</td>
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<tr>
<td>Lee Best</td>
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<tr>
<td>Peter Catts</td>
<td>4</td>
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<td>Leon Clark</td>
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<tr>
<td>Michael Coglin</td>
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<tr>
<td>Robert Cooke</td>
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<tr>
<td>Alan Cooper</td>
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<tr>
<td>Andrew Currie</td>
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<tr>
<td>Josef Czyzewski</td>
<td>1</td>
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<tr>
<td>Christine Gee</td>
<td>4</td>
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<tr>
<td>Pat Grier</td>
<td>3</td>
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<tr>
<td>Neil Henderson</td>
<td>0</td>
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<tr>
<td>Denis Hogg</td>
<td>4</td>
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<tr>
<td>Claire Michalanneyn</td>
<td>5</td>
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<tr>
<td>Catherine Miller</td>
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<tr>
<td>Moira munro</td>
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<td>John Pitsonis</td>
<td>1</td>
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<tr>
<td>Christopher Rex</td>
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<tr>
<td>Geoff Sam</td>
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<td>Mark Stephens</td>
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<td>Robert Tassie</td>
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<td>George Toemoe</td>
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<td>Stephen Walker</td>
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<td>Andrew Weston</td>
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<tr>
<td>Susan Williams</td>
<td>2</td>
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<tr>
<td>Robert Wise</td>
<td>2</td>
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<tr>
<td>Lucy Fisher (1)</td>
<td>1</td>
</tr>
</tbody>
</table>

*Reflects the number of meetings held during the time each Director held office during the year

(1) Alternate for John Amery
# Financial Statements

## Australian Private Hospitals Association

*Statement of Financial Position as at 30 June 2005*

<table>
<thead>
<tr>
<th></th>
<th>2005 $</th>
<th>2004 $</th>
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<td>Receivables</td>
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<td>Others</td>
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<td><strong>TOTAL CURRENT ASSETS</strong></td>
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<td><strong>NON-CURRENT ASSETS</strong></td>
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<tr>
<td>Property, plant and equipment</td>
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<td>215,056</td>
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<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
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<td>Provisions</td>
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<td>66,147</td>
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<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
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<td>421,104</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>5,064</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td>5,064</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>507,121</td>
<td>421,104</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>2,232,233</td>
<td>1,209,327</td>
</tr>
<tr>
<td><strong>MEMBERS’ FUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Accumulated funds</td>
<td>2,032,233</td>
<td>1,009,327</td>
</tr>
<tr>
<td><strong>TOTAL MEMBERS’ FUNDS</strong></td>
<td>2,232,233</td>
<td>1,209,327</td>
</tr>
</tbody>
</table>
The APHA financial result for the year ended 30 June 2005 was a net operating profit (after income tax) of $1,022,906 (2004: $292,063). This profit included the sale of the Company’s property at Deakin which generated $1,008,557. The result for the year excluding this transaction was a net profit of $14,349.

**Australian Private Hospitals Association**

**Statement of Financial Performance for the Year Ended 30 June 2005**

<table>
<thead>
<tr>
<th></th>
<th>2005 $</th>
<th>2004 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from rendering of services</td>
<td>1,380,080</td>
<td>1,273,829</td>
</tr>
<tr>
<td>Other revenues from ordinary activities</td>
<td>1,513,631</td>
<td>253,974</td>
</tr>
<tr>
<td>Total revenue</td>
<td>2,893,711</td>
<td>1,527,803</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>(575,664)</td>
<td>(567,996)</td>
</tr>
<tr>
<td>Consultants</td>
<td>(398,978)</td>
<td>(134,063)</td>
</tr>
<tr>
<td>Depreciation and amortisation expenses</td>
<td>(40,139)</td>
<td>(19,550)</td>
</tr>
<tr>
<td>Carrying amount of asset sold</td>
<td>(225,627)</td>
<td>-</td>
</tr>
<tr>
<td>Expenses for the sale of building</td>
<td>(29,155)</td>
<td>-</td>
</tr>
<tr>
<td>Meeting and travel expenses</td>
<td>(254,721)</td>
<td>(251,207)</td>
</tr>
<tr>
<td>Office and administration expenses</td>
<td>(174,546)</td>
<td>(152,298)</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>(171,975)</td>
<td>(110,626)</td>
</tr>
<tr>
<td>Profit from ordinary activities before related income tax expense</td>
<td>1,022,906</td>
<td>292,063</td>
</tr>
<tr>
<td>Income tax expense relating to ordinary activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET PROFIT</strong></td>
<td>1,022,906</td>
<td>292,063</td>
</tr>
</tbody>
</table>

**Australian Private Hospitals Association**

**Statement of Cash Flows for the Year Ended 30 June 2005**

<table>
<thead>
<tr>
<th></th>
<th>2005 $</th>
<th>2004 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash receipts in the course of operations</td>
<td>1,634,123</td>
<td>1,566,435</td>
</tr>
<tr>
<td>Cash payments in the course of operations</td>
<td>(1,648,181)</td>
<td>(1,355,991)</td>
</tr>
<tr>
<td>Interest received</td>
<td>74,076</td>
<td>66,051</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY OPERATING ACTIVITIES</strong></td>
<td>60,018</td>
<td>276,495</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(1,277,985)</td>
<td>(27,854)</td>
</tr>
<tr>
<td>Sale of property, plant and equipment</td>
<td>1,252,029</td>
<td>-</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(25,956)</td>
<td>(27,854)</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash held</td>
<td>34,062</td>
<td>248,641</td>
</tr>
<tr>
<td><strong>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</strong></td>
<td>1,389,019</td>
<td>1,140,378</td>
</tr>
<tr>
<td><strong>CASH AT THE END OF THE FINANCIAL YEAR</strong></td>
<td>1,423,081</td>
<td>1,389,019</td>
</tr>
</tbody>
</table>

The preceding information is extracted from the Australian Private Hospitals Association’s Audited Financial Statements for the year ending 30 June 2005.
<table>
<thead>
<tr>
<th>APHA Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide Clinic</td>
</tr>
<tr>
<td>Adelaide Day Surgery</td>
</tr>
<tr>
<td>Adelaide Eye and Laser Centre</td>
</tr>
<tr>
<td>Adori Day Surgery</td>
</tr>
<tr>
<td>Aesthetic Day Surgery</td>
</tr>
<tr>
<td>Albert Road Clinic</td>
</tr>
<tr>
<td>Albury Day Surgery</td>
</tr>
<tr>
<td>Albury Wodonga Private Hospital</td>
</tr>
<tr>
<td>Allamanda Private Hospital</td>
</tr>
<tr>
<td>Allamanda Surgicentre</td>
</tr>
<tr>
<td>Alwyn Rehabilitation Hospital</td>
</tr>
<tr>
<td>Appearance Medical Centre</td>
</tr>
<tr>
<td>Armidale Private Hospital</td>
</tr>
<tr>
<td>Attadale Hospital</td>
</tr>
<tr>
<td>Avenue Day Surgery</td>
</tr>
<tr>
<td>Baringa Private Hospital</td>
</tr>
<tr>
<td>Bellevue Private Hospital</td>
</tr>
<tr>
<td>Bellbird Private Hospital</td>
</tr>
<tr>
<td>Belmont Private Hospital</td>
</tr>
<tr>
<td>Berkeley Vale Private Hospital</td>
</tr>
<tr>
<td>Bethesda Hospital</td>
</tr>
<tr>
<td>Blackwood &amp; District Community Hospital Inc</td>
</tr>
<tr>
<td>Bondi Junction Private Hospital</td>
</tr>
<tr>
<td>Boulevarde Day Surgical Centre</td>
</tr>
<tr>
<td>Brindabella Endoscopy Centre</td>
</tr>
<tr>
<td>Brisbane Private Hospital</td>
</tr>
<tr>
<td>Brisbane Waters Private Hospital</td>
</tr>
<tr>
<td>Buderim Gastroenterology Centre</td>
</tr>
<tr>
<td>Burnside War Memorial Hospital</td>
</tr>
<tr>
<td>Burwood Endoscopy Centre</td>
</tr>
<tr>
<td>Caboolture Private Hospital</td>
</tr>
<tr>
<td>Cairns Private Hospital</td>
</tr>
</tbody>
</table>
Holroyd Private Hospital
Hopetoun Rehabilitation Hospital
Hornsby Sleep and Diagnostic Centre
Hunter Valley Private Hospital
Hunters Hill Private Hospital
Insight Clinic
Ivanhoe Manor Private Rehabilitation Hospital
John Fawkner Moreland Private Hospital
John Flynn - Gold Coast Private Hospital
John James Memorial Hospital
Joondalup Health Campus
Kahlyn Private Hospital
Kareena Private Hospital
Kew Private Dialysis Centre
Killarney & District Memorial Hospital Ltd
Kings Park Day Hospital
Knox Private Hospital
La Trobe University Medical Centre
Lady Davidson Private Hospital
Lake Macquarie Private Hospital
Lambton Road Day Surgery
Lawrence Hargrave Hospital
Lidia Perin Memorial Hospital
Linacre Private Hospital
Lingard Private Hospital
Linley Clinic
Lithgow Community Private Hospital
Liverpool Day Surgery
Logan Day Surgery
Longueville Private Hospital
Macarthur Private Hospital
Maitland Private Hospital
Malvern Private Hospital
Maryvale Private Hospital
Masada Private Hospital
Mater Misericordiae Hospital Townsville
Mayo Private Hospital
Melbourne Day Surgery
Melbourne Private Hospital
Metropolitan Rehabilitation Hospital
Metwest Eye Centre
Mitcham Private Hospital
Monash Surgical Private Hospital
Montserrat Day Hospital (Spring Hill)
Montserrat Day Hospitals (Gaythorne)
Montserrat Day Hospitals (Indooroopilly)
Mosman Private Hospital
Mount Gambier Private Hospital Inc.
Mount Hospital
Mount Waverley Private Hospital
Mount Wilga Private Hospital
Mountain District Private Hospital
Murray Valley Private Hospital
Nambour Selangor Private Hospital
National Capital Private Hospital
Nepean Private Hospital
New Farm Clinic
Newcastle Private Hospital
Noosa Private Hospital
North Eastern Community Hospital
North Gosford Private Hospital
North Shore Private Hospital
North West Brisbane Private Hospital
North West Private Hospital
Northpark Private Hospital
Northside Clinic
Northside Cremorne
Northside West Clinic
Nowra Private Hospital
Olympia Private Rehabilitation Clinic
One Care - Phillip Oakden House
Ophthalmic Surgery Centre (North Shore)
Orange Day Surgery Centre
Pacific Private Hospital
Parkwynd Private Hospital
Payneham Dialysis Centre
Peel Health Campus
Pendlebury Clinic
Peninsula Endoscopy Centre
Peninsula Eye Centre
Peninsula Private Hospital
Peninsula Private Hospital
Pennant Hills Day Endoscopy Centre
Perth Clinic
Pindara Gold Coast Private Hospital
Pine Rivers Private Hospital
Pioneer Valley Private Hospital
Pittsworth & District Hospital
Pittwater Day Surgery
<table>
<thead>
<tr>
<th>Hospital Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poplars Private Hospital</td>
</tr>
<tr>
<td>Port Macquarie Private Hospital</td>
</tr>
<tr>
<td>Prince of Wales Private Hospital</td>
</tr>
<tr>
<td>QFG Day Theatres</td>
</tr>
<tr>
<td>Regional Imaging Cardiovascular Centre</td>
</tr>
<tr>
<td>Ringwood Private Hospital</td>
</tr>
<tr>
<td>River City Private Hospital</td>
</tr>
<tr>
<td>Riverland Private Hospital</td>
</tr>
<tr>
<td>Roderick Street Day Surgery</td>
</tr>
<tr>
<td>Sach Day Surgery</td>
</tr>
<tr>
<td>Shellharbour Private Hospital</td>
</tr>
<tr>
<td>Shepparton Private Hospital</td>
</tr>
<tr>
<td>Sir John Monash Private Hospital</td>
</tr>
<tr>
<td>Solander Day Surgery</td>
</tr>
<tr>
<td>South Burnett Community Private Hospital</td>
</tr>
<tr>
<td>South Coast Community Hospital</td>
</tr>
<tr>
<td>South Eastern Private Hospital</td>
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<tr>
<td>South Pacific Private Hospital</td>
</tr>
<tr>
<td>South Perth Hospital</td>
</tr>
<tr>
<td>Southern Day Surgery</td>
</tr>
<tr>
<td>Southern Districts War Memorial Hospital</td>
</tr>
<tr>
<td>Southern Highlands Private Hospital</td>
</tr>
<tr>
<td>Southern Suburbs Day Procedure Centre</td>
</tr>
<tr>
<td>Southline Eye Surgery Centre</td>
</tr>
<tr>
<td>Sportsmed SA Hospital</td>
</tr>
<tr>
<td>St Andrew’s - Ipswich Private Hospital</td>
</tr>
<tr>
<td>St Andrew’s Hospital</td>
</tr>
<tr>
<td>St Andrew’s Toowoomba Hospital</td>
</tr>
<tr>
<td>St Andrew’s War Memorial Hospital</td>
</tr>
<tr>
<td>St George Private Hospital</td>
</tr>
<tr>
<td>St Helen’s Private Hospital</td>
</tr>
<tr>
<td>St John of God Health Services</td>
</tr>
<tr>
<td>St John of God Hospital</td>
</tr>
<tr>
<td>St Lukes Hospital Complex</td>
</tr>
<tr>
<td>St Stephen’s Private Hospital</td>
</tr>
<tr>
<td>St Vincent’s Private Hospital</td>
</tr>
<tr>
<td>Stirling District Hospital</td>
</tr>
<tr>
<td>Strathfield Private Hospital</td>
</tr>
<tr>
<td>Sunnybank Private Hospital</td>
</tr>
<tr>
<td>Sunshine Coast Haematology &amp; Oncology Clinic</td>
</tr>
<tr>
<td>Sydney Adventist Hospital</td>
</tr>
<tr>
<td>Sydney Haematology and Oncology Centre</td>
</tr>
<tr>
<td>Sydney IVF</td>
</tr>
<tr>
<td>Sydney Oculoplastic Surgery</td>
</tr>
<tr>
<td>Sydney Southwest Private Hospital</td>
</tr>
<tr>
<td>T &amp; G Day Surgery Unit</td>
</tr>
<tr>
<td>Tamara Private Hospital</td>
</tr>
<tr>
<td>The Avenue Hospital</td>
</tr>
<tr>
<td>The Bays Hospital Group</td>
</tr>
<tr>
<td>The CAPS Clinic</td>
</tr>
<tr>
<td>The Digestive Health Centre</td>
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<tr>
<td>The Eye Institute</td>
</tr>
<tr>
<td>The Geelong Clinic</td>
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<tr>
<td>The Hills Private Hospital</td>
</tr>
<tr>
<td>The Hobart Clinic</td>
</tr>
<tr>
<td>The Melbourne Clinic</td>
</tr>
<tr>
<td>The Palm Beach Currumbin Clinic</td>
</tr>
<tr>
<td>The San Day Surgery Hornsby</td>
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<tr>
<td>The Sunshine Coast Private Hospital</td>
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<tr>
<td>The Sydney Clinic</td>
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<tr>
<td>The Sydney Private Hospital</td>
</tr>
<tr>
<td>The Valley Private Hospital</td>
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<tr>
<td>The Victoria Clinic</td>
</tr>
<tr>
<td>The Wales Day Centre</td>
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<tr>
<td>The Wesley Hospital</td>
</tr>
<tr>
<td>The Wesley Hospital Townsville</td>
</tr>
<tr>
<td>Toowong Private Hospital</td>
</tr>
<tr>
<td>Toowoomba Surgicentre</td>
</tr>
<tr>
<td>Toronto Private Hospital</td>
</tr>
<tr>
<td>Townsville Day Surgery</td>
</tr>
<tr>
<td>Tweed Day Surgery</td>
</tr>
<tr>
<td>Victorian Rehabilitation Centre - Eastern Melbourne</td>
</tr>
<tr>
<td>Victorian Rehabilitation Centre - Northern Melbourne</td>
</tr>
<tr>
<td>Vimy House Private Hospital</td>
</tr>
<tr>
<td>Vista Laser Eye Clinics NSW</td>
</tr>
<tr>
<td>Wakefield Hospital</td>
</tr>
<tr>
<td>Wandene Private Hospital</td>
</tr>
<tr>
<td>Wangaratta Private Hospital</td>
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<tr>
<td>Warley Hospital</td>
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<tr>
<td>Warners Bay Private Hospital</td>
</tr>
<tr>
<td>Warringal Private Hospital</td>
</tr>
<tr>
<td>Wesley Private Hospital</td>
</tr>
<tr>
<td>Western Hospital</td>
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<tr>
<td>Western Private Hospital</td>
</tr>
<tr>
<td>Western Suburbs Endoscopy Services</td>
</tr>
<tr>
<td>Westmead Private Hospital</td>
</tr>
<tr>
<td>Wollongong Day Surgery</td>
</tr>
<tr>
<td>Wolper Jewish Hospital</td>
</tr>
</tbody>
</table>
The main focus of the Australian Private Hospitals Association’s (APHA’s) Major Sponsor Program is the development of strategic relationships between the Association (and, thereby, private hospitals) and corporate leaders in health care product and service delivery. We thank our Major Sponsors for their support over the 2004-05 financial year and urge all private hospitals to get behind the APHA’s Major Sponsors as pivotal supporters of private hospital care.

Baxter Healthcare, (a subsidiary of Baxter International Inc), provides critical therapies for individuals with life threatening conditions.

Baxter products, services and technologies save and improve the lives of millions of people around the world. As the pioneer of most of these products and therapies, Baxter has paved the way for people with kidney disease, haemophilia, cancer and other life threatening conditions to lead productive and fulfilling lives as well as manufacturing a growing number of vaccines to prevent life threatening diseases in the community.

Baxter continues to innovate and influence medical science and has developed an international reputation for its sterile product technologies related to blood, renal and IV therapies. Baxter takes pride in its record as a leading corporate citizen by setting new standards for environmental excellence and supporting a wide range of community endeavours.

At BOC Medical the emphasis is on working closely with health care professionals, providing clinical leadership in the application of medical gases.

BOC Medical provides a dedicated and committed health care team to the medical and homecare markets. Hospitals, ambulance services, surgeries, emergency departments and patients in their homes rely on BOC Medical to provide them with the most technologically advanced medical gases and cylinder solutions, as well as providing a wealth of clinical information and training to help save lives and improve patient outcomes.

BOC Medical provides a range of services from high-tech gas reticulation systems for hospitals through to personalised home care via the Oxycare network, providing convenient, patient-friendly oxygen therapy.

BOC Medical is proud to be sponsoring APHA and thank their loyal customers for their support.

Global Health Pty Ltd (www.global-health.com), a wholly owned subsidiary of Working System Solutions Limited, has developed a specialised suite of health software applications.

The Global Health portfolio includes clinical and administrative systems that deliver health information at the point of care, wherever and whenever it is required – to community health providers, to hospitals, and to the consumer at home.

Our Solutions...

**Locum:** a clinical desktop application that helps health care professionals provide enhanced patient management

**HotHealth:** a web-based personal health manager and lifelong Personal Health Record (PHR) - unique in Australia.

**MasterCare:** a browser-based data repository for clinicians that provides an integrated and patient-centric view of clinical information.

**ReferralNet:** a fast, convenient and secure way of sending medical referrals.

**e-PAS:** a flexible Patient Administration System

**MHAGIC:** a paperless, electronic health record that is designed for the Australian mental health environment.

**e-switch:** a unique messaging engine that allows connectivity between our products and independent applications in the health and business community.

**Uni-u:** provides integrated, interactive, on-line training for e-PAS and other Global Health products.

For corporate information, visit www.ws.com.au
With $7.4 billion in assets, 500,000 members and 30,000 employers, HESTA, the specialist in super for health and community services, is the largest super fund for the health industry in Australia, offering access to extra benefits such as:

- Low cost income protection and death insurance
- Discount health insurance
- Low cost home loans
- Commission-free financial planning services

And HESTA members know their super is being looked after by specialists with low fees, a history of strong returns and top ratings from independent ratings agencies (Platinum Rating by SuperRatings and AAA rating by SelectingSuper, 2003 & 2004).

HESTA is also known for its involvement in the health and community services sector, supporting a variety of conferences, research projects and awards that recognise the hard work and dedication of its members.

IBA Health is the largest listed Health IT Company on the Australian Stock Exchange. IBA Health designs and delivers innovative IT solutions to health care sector providers and payers across Australia and internationally.

IBA Health is at the forefront of information systems that contribute to the creation of the Electronic Health Record. As an e-health pioneer, IBA Health is a technology leader in the provision of solutions for the electronic communication of health care information, which aims to revolutionise the delivery of patient care. IBA Health provides a range of software applications to support the information needs of health care institutions, including systems for administration, the management of clinical procedures, decision support, accounting and finance. The company is already delivering products that will form part of the e-health model, such as Electronic Health Record (EHR) functionality, specialist messaging, online remote access, order communication systems, electronic billing and the seamless linking of multi-site health providers on an online, real-time basis.

Established in Australia in 1982, the Health Solutions Division has over 250 acute health care customers worldwide, including leading public hospital groups in Australia, New Zealand, Asia and the United Kingdom and the Australia Defence Force, where it is providing a secure Electronic Health Record across the Defence Network. IBA is one of Australia’s leading providers of integrated systems to over 300 facilities across the Aged and Community care sectors. Over 5000 providers in the Primary care sector use IBA Health’s financial, administration or clinical solutions. These include General Practitioners, Specialists and Allied Health Professionals. IBA Health is the only company currently providing Health IT solutions across the Australian health care network.

As a world leader in the field of surgical and medical protection, we are committed to research, development and product and process innovation.

Kimberly-Clark Worldwide has significant development resources.

Kimberly-Clark Australia employees have a common vision. “A shared commitment to be world class, growing through quality, service and innovation.”

Our local representation and customer service staff are trained to respond to your needs by developing beneficial relationships and designing individual solutions to meet your needs.

Kimberly-Clark products are market leaders, assuring your organisation of a continual supply of world-class products.

A strong focus on education enables us to provide advice and training in the use and application of our products and in the latest infection control procedures.

From Protective Apparel to medical devices – everything we make, everything we do, is focused on protecting the health care professionals and patients.

This means we work every day to develop and deliver high quality products that you can depend on for the protection you deserve.
Eli Lilly Australia is the Australian operation of the global US-based pharmaceutical corporation, Eli Lilly and Company, and is headquartered in Western Sydney. It is one of Australia’s leading research-driven pharmaceutical companies specialising in the discovery, development and marketing of medicines for the prevention and treatment of human disease.

Lilly markets some of the world’s best-known medicines including Prozac for depression, Zyprexa for schizophrenia, Evista for osteoporosis and Humulin for diabetes.

Lilly supports research and development in Australia through alliances with some of the nation’s foremost academic and research institutions such as the Garvan Institute, the John Curtin School of Medicine and a large number of universities and colleges.

Lilly Australia is also a major site for clinical research and trial data management. The company’s Clinical Outcomes and Research Institute, (CORI) is the largest commercial trial management operations in the pharmaceutical industry and has grown rapidly since its inception in 2000. Lilly’s Global Clinical Data Management Centre (GCDMC) was also created in 2000 and processes trial data from around the world.

ICSGlobal Limited owns and operates THELMA (Transactional Health Exchange Linking Multiple Applications).

THELMA replaces existing manual, paper-based health administration processes with B2B transactions over the Internet that cover a broad range of hospital processes, including real time patient eligibility checking and informed financial consent, electronic hospital accommodation claims, in-patient medical claims, pathology and radiology claims, etc.

THELMA delivers significant cost savings and other business benefits to hospitals, such as improved cash flow, admission and billing process improvement, plus happier staff and patients.

At 30 June 2005, THELMA’s national State-average health fund coverage was approximately 60%, with NSW at 70% and Victoria at 65%. National private hospital bed coverage is about 30%.

For more information, visit http://www.thelma.com.au or http://www.icsglobal.net.

Tyco Healthcare Australia is a supplier of innovative medical devices and associated services across Australia and New Zealand.

Tyco Healthcare represents the successful consolidation of leading international health care technology companies including Kendall, Sherwood Davis and Geck, Auto Suture, Valleylab, Radionics, Mallinckrodt, Graphic Controls, Devon, Dexterity and Origin.

Our commitment is to provide the highest level of product supply, service, support and education to health care professionals and their patients. Tyco Healthcare provides what is arguably the broadest range of medical devices and services in Australia and New Zealand. Tyco Healthcare’s heavy investment in internal research and development across all product portfolios will see the continued availability of many new innovative medical device products.

Working in partnership with health care institutions and key distributors, Tyco Healthcare provides products and services for all levels of patient care including acute care, aged care, community care, home based care, pharmacy and retail.

Our products and services extend to dental, sports medicine and veterinary customers.

A young and energetic company, Tyco Healthcare Australia will continue to build a professional team that is focussed on delivering the individual needs of all our customers. We will attract and retain dedicated employees who are committed to providing the highest levels of service in the industry.
The Australian Private Hospitals Association's (APHA's) dynamic Associate Member Program provides unique opportunities for a variety of organisations to demonstrate their commitment to, and support of, private hospital care, building valuable relationships with the sector.

We thank all our Associate Members for their support over the 2004-05 financial year.

### Gold Associate Members
- Alaris Medical Systems
- 3M Healthcare
- Alcon Laboratories (Australia) Pty Ltd
- Australian Healthcare Equipment Pty Ltd
- BD
- Blake Dawson Waldron
- Boehringer Ingelheim
- Clear Outcomes
- CMR Consulting (Australia) Pty Ltd
- College of Nursing (Incorporating the NSW College of Nursing)
- Fresenius Medical Care South East Asia Pty Ltd
- Gadens Lawyers Sydney
- GE Healthcare
- Hatrix Pty Ltd
- Health Industry Plan
- Medtronic Australasia Pty Ltd
- Menette Pty Ltd
- QML Pathology
- Rentworks Limited
- SAI Global
- Smiths Medical Australasia
- Terumo Corporation

### Associate Members
- Allen Arthur Robinson
- Australian Health Service Alliance
- B Braun Australia Pty Ltd
- Boyd Health Management
- CHiK Services Pty Ltd
- Department of Veterans' Affairs
- DePuy Australia Pty Ltd
- Faulding Healthcare Pty Ltd
- Healthcare Management Advisors
- Herring Health & Management Services Pty Ltd
- Home Nurses
- Integrated Care Management
- John Randall & Associates
- Johnson & Johnson Medical Pty Ltd
- Knight Frank Valuations
- Macquarie Research Equities
- Medicraft Australia Pty Ltd
- Mercury Health Recruitment
- Merrill Lynch
- National Remuneration Centre
- Noarlunga Private Hospital
- Programmed Maintenance Services Pty Ltd
- Queensland X-Ray
- Roche Products Pty Ltd
- Smith & Nephew Surgical
- Staffing Australia Group
- Thiess Health
- Transport Accident Commission
- UBS
- Willi Ryan Health Industry Consultant