

FIRST PUBLIC REPORT TEMPLATE

Controlling Corporation

Ramsay Health Care Limited

Period to which this report relates

Start 1 July 2006

End 31 August 2008

Part 1 - Summary of assessments conducted thus far

Table 1.1 - Description of the way in which the corporation has carried out its assessments and over what period was each assessment taken. A statement saying that the intent and key requirements of the Energy Efficiency Opportunities legislation have been met must be made.

Ramsay Health Care has complied with the requirements of the Energy Efficiency Opportunities (EEO) Act (2006) submitting one complete assessment in December 2007 which was reviewed and approved. Under the requirements of the second assessment due in December 2008, Ramsay Health Care has undertaken intensive assessments at eight representative hospital sites. These sites (see table 1.2) were chosen as representative of the whole of Ramsay Health Care but also to capture a significant proportion (46%) of the Company's total energy consumption.

The assessments were carried out during the period May-August 2008. Each hospital site was visited for one day by representatives of both Ramsay Health Care and its specialist energy management adviser, Energy Action. All major plant items and building services were inspected, documented and subsequently modelled and analysed. Potential energy efficiency opportunities were discussed in detail with site building management staff, then subjected to analysis using consumption and plant specification details. These assessments were carried out in accordance with the intent and key requirements of the EEO Act (2006) Guidelines.

| Table 1.2 - Group member/business unit/key activity/site that have been assessed | Electrical Energy use per annum in the year the assessment is completed * | Energy data accuracy (if not within $\pm 5\%$) ** | Reasons for not achieving data accuracy to within $\pm 5\%$ ** |
|--|---|--|--|
| Greenslopes Private Hospital (Brisbane) | 70,483 GJ | (see general statement below) | |
| John Flynn Private Hospital (Gold Coast) | 52,481 GJ | | |
| Hillcrest Private Hospital (Rockhampton) | 8,720 GJ | | |
| North Shore Private Hospital (Sydney) | 23,652 GJ | | |
| Westmead Private Hospital (Sydney) | 20,639 GJ | | |
| St George Private Hospital (Sydney) | 34,830 GJ | | |
| Albury Wodonga Private Hospital | 9,012 GJ | | |

| | | | |
|--|-------------------|--|--|
| (Albury) | | | |
| Wangaratta Private Hospital | 3,715 GJ | | |
| | | | |
| | | | |
| Total | 223,532 GJ | | |
| Total as a percentage of total energy use of the group covered by this report | 46% | | |

* Energy Bandwidth may only be used if approved in the Assessment and Reporting Schedule

** Data accuracy not within $\pm 5\%$ can only be included if approved in the Assessment and Reporting Schedule

Statement of Data Accuracy

Electricity data across Ramsay Health Care is collected centrally through automatic metering and is electronically collated. We have a high degree of confidence in this data and it is estimated to be accurate to better than $\pm 2\%$. However, a number of factors reduce the accuracy of overall site energy consumption including:

- Initial difficulties obtaining accurate information as to gas consumption (now rectified).
- Difficulties in measuring bottled fuel gas consumption.
- Difficulties in attributing consumption involving premises where lessees of RHC property have access to energy that is not separately metered, and is therefore included in overall RHC figures.

As a result of these uncertainties, we estimate that while overall RHC consumption is known to $\pm 5\%$, specific site consumption may be known with a precision of $\pm 5\text{-}10\%$, depending on the importance of the factors mentioned above at that site. New mechanisms to measure these other energy sources have been implemented in the last quarter of 2008 and we are confident that future reports will show a higher degree of accuracy.

Part 2 - Outcomes of and business response to opportunities that have been identified and evaluated for each group member, business unit, key activity or site assessed

Group member/business unit/key activity/site >0.5 PJ name: _____Ramsay Health Care Limited_____

| Table 1.3 Status of Opportunities | | Number of Opportunities | Estimated energy savings per annum by payback period (GJ) | | Total estimated energy savings per annum (GJ) | *Accuracy range (%) |
|--------------------------------------|------------------------------|-------------------------|---|---------------|---|---------------------|
| | | | 0 – < 2 years | 2 – ≤ 4 years | | |
| Outcomes of assessment | Identified (accuracy ≤ ±30%) | 21 | 2407 | 5702 | 8109 | 20% |
| | Identified (accuracy > ±30%) | | | | | |
| | **Total Identified | 21 | 2407 | 5702 | 8109 | 20% |
| ***Business Response | Under Investigation | 17 | 2407 | 5416 | 7823 | 25% |
| | To be Implemented | 4 | | 286 | 286 | 10% |
| | Implementation Commenced | | | | | |
| | Implemented | | | | | |
| | Not to be Implemented | | | | | |

*The accuracy range for projected or actual costs, benefits and energy savings.

**You must ensure that this row is the sum of the two rows above it.

*** The data contained in each row of the business response area must total to the data contained in the 'Total Identified' row.

Note: An opportunity is any potential change to a system, activity or piece of equipment that:

- is identified during an EEO assessment;
- is consistent with legal requirements such as OHS, and
- may result in energy savings projects with payback periods of 4 years or less.

Details of at least three significant opportunities found through EEO assessments

| Table 1.4 Opportunity 1 |
|--|
| <p>Replacement of halogen downlights with LEDs</p> <p>This is self-explanatory as an opportunity. Many hospitals use halogen downlights in non-clinical areas, and their replacement brings both energy and maintenance cost savings. For every 500 downlights replaced, an estimated \$26,042 is incurred in capital costs for an annual energy saving of 131 MWhr.</p> |
| Opportunity 2 * |
| <p>Removal of patient refrigerators</p> <p>Many hospitals have refrigerators in patient rooms and the need for these is currently being assessed. For every 300 patient refrigerators removed, an estimated labour cost of \$3150 is incurred, for an annual energy saving of 118 MWhr.</p> |
| Opportunity 3 ** |
| <p>Increasing air conditioning deadbands</p> <p>The cost to increase air conditioning deadbands is zero, but the estimated savings of this option are dependent on many site factors: age and type of equipment, local climate, building design and placement, historical practices, etc. It is not possible at present to make an energy savings estimate except to note that the savings may be substantial and this opportunity is currently being investigated.</p> |

*If there are less than three significant opportunities, provide details of those identified.

**If no significant opportunities have been identified in the assessment, a statement to this effect.

Part 3 - Voluntary Contextual Information

Background

Ramsay Health Care is a rapidly expanding group of companies held by Ramsay Health Care Limited, a publicly listed company. Ramsay Health

Care has undertaken a significant program of both acquisition of existing private hospital facilities and construction of new facilities, which provides both opportunities and challenges in achieving overall energy efficiency gains. The company has acquired groups of assets including some of considerable age, but has been prepared to invest in upgrading acquired facilities to improve effectiveness and efficiency. An example is our largest facility, Greenslopes Private Hospital, acquired in 1995. In the past ten years the number of beds on site has been increased by 59%, while the total energy consumption has increased by 6%, and water consumption reduced by 21%.

Since 2006, Ramsay Health Care has been actively working towards gaining a better understanding of our total energy consumption across our 64 facilities which are located across Australia. Prior to this, energy consumption was measured and understood at a local business unit level only. Energy consumption and Greenhouse Gas emissions across the Company are now being recorded and reviewed centrally each quarter. Hospitals are benchmarked according to other facilities of similar size and orientation and trend information can now be prepared on a per hospital basis.

Ramsay Health Care has engaged EnergyAction and appointed a National Environment Manager to assist with the energy assessment process which is required under the EEO Act (2006) and to identify effective energy cost savings over the medium to long term. Ramsay Health Care has also partnered with the Department of Environment & Climate Change (DECC) in New South Wales, through its Sustainable Advantage Program and is currently conducting two intensive resource efficiency assessment programs at St George and Westmead Private Hospitals in Sydney.

To coordinate our energy efficiency activity, the Company established an Environment & Sustainable Development Working Party in March 2007 the terms of reference of which are to:

- Accelerate Ramsay's environmental strategy through prioritising and allocating existing time to environmental projects
- Systematically address environmental compliance
- Integrate environmental strategies with good business planning
- Where economically feasible, integrate Sustainable Built Environment principles and initiatives into 'Brownfield' developments
- Lower costs through more efficient use of resources and reduced waste
- Improve Supply Chain Management
- Actively engage employees in resource efficiency

To date, the main focus of the Environment & Sustainable Development Working Party has been energy efficiency.

Hospitals – A Special Case

It is our view that hospitals generally will encounter a degree of conflict in their endeavours to achieve significant energy reduction targets with the obligation of hospitals to meet a raft of existing standards, and to ensure we provide safe and quality care for patients. Hospitals generally have some novel constraints for example:

- Operating Theatres – there are obligatory minimum rates of fresh air exchange, very tightly acceptable temperature and humidity variability, pressure and filtering that are not only required by standards but based on good science. There are a number of other specialised facilities in hospitals also with strict requirements;
- Sterile Stock areas, waste disposal, as well as food handling and other commercial areas have maximum acceptable temperatures;
- Infection control – general and specialised patient areas have more limited acceptable ranges of air handling for infection control reasons;
- Lighting – Clinical observation areas (which can be interpreted as any area a patient may be) require a specific spectrum and intensity of light to allow clinicians to correctly interpret cyanosis. Most new sources are not proven against this standard. As a 24 hour operation, much more lighting is required than most other commercial facilities of similar size.
- Most private hospitals operate on a 24 hour/7 days per week basis, with high occupancy and a considerable and unique equipment base, and therefore a somewhat unusual load profile, creating both novel problems, and opportunities.

This being said, Ramsay Health Care is committed and has dedicated resources to investigating and implementing identified energy savings opportunities.

Part 4 - Declaration

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.

Christopher Rex
Managing Director