



Year 2000 advice 3/31/1999

Year 2000 Compliance Programme.
Progress Report to the Australian Stock Exchange

We advise that the company's overall exposure to the Year 2000 problem has not changed materially since our report to the ASX in March 1998.

The Company has not initiated any material action beyond the programme outlined in the March 1998 report.

Progress

The year 2000 compliance programme is progressing well and the company is on track to achieve its target compliance of major equipment and core systems by September 1999.

As noted in the March 1998 report the Company's reliance on technology was analysed into the following critical resource groups:

- Information Technology (IT) – networked across Australia.
- Biomedical and Operational Process Equipment – more critical to the medical/surgical and veteran hospitals within the group.
- Building Services and Environmental – covering all buildings across the business, air conditioning, lifts, power supply and security.
- Communication Systems; and
- Third party suppliers.

Project team leaders with responsibility for coordinating the compliance programme within each resource group across each hospital site within the Company and coordinators for each hospital site have been appointed. The project leaders and coordinators report directly to the Year 2000 Project Manager who in turn provides monthly progress reports to the Year 2000 Steering Committee and the Board.

The rectification plan for the Company has been documented and issued to all relevant personnel including the Year 2000 Steering Committee, Project Team and Site Coordinators, and the Ramsay Board of Directors.

A web-site on the Company's Intranet has been established to store and share information across the various hospital sites. The web-site is used as an electronic file repository to facilitate the monitoring and evaluation of project progress and to manage the data for audit purposes. A centralised hard copy file of all year 2000 documentation is also being maintained.

Information Technology

The Company's rectification work in respect of its information technology is well advanced and can be summarised as follows:

- Core Hardware systems are now compliant following upgrades in 1998.
- Personal Computers are 80% compliant. The remaining PCs will either require upgrading or replacement which is scheduled for completion in September 1999.
- Data Communication equipment. The company is seeking advice from Telstra regarding the compliance of their communication network.
- Core Business Software systems are substantially complete with final upgrades scheduled for implementation in June 1999.
- Bio-medical Technology

All bio-medical equipment across the Company's hospital sites has been cataloged and categorised in accordance with the relative risk impact upon the business. The compliance status of equipment has been established at 72% with only a small percentage (less than 3%) known to be problematic with non-serious ramification for the Company. Compliance testing and rectification work is scheduled for completion in August 1999.

Building and Environmental Services

Rectification and contingency planing for building and environmental services have been

contracted to external building engineers. The targeted completion date for the consultancy is October 1999.

Communications

An inventory of communication, PABX, telephone and facsimile equipment across the Company has been completed with compliance testing currently being undertaken.

Third Parties and Service Providers

Lists of suppliers and third parties crucial to the business have been prepared and categorised in accordance with their respective impact on the business continuity. The Company is in the process of corresponding with each supplier on an individual basis to ensure that there is minimal risk to the continuity of supply.

Contingency Planning

Business continuity planning commenced in March 1999, with templates being distributed to all hospital sites across the Company. The targeted completion date for the individual plans is May 1999, with implementation and training of all personnel to be completed by October 1999.

Education for Staff, Doctors and Patients

Year 2000 awareness, education programmes designed to brief staff, admitting doctors and patients on the Company's progress to achieve year 2000 compliance will commence in April 1999 throughout the group. These programmes will continue throughout the remainder of the year with the intention of updating knowledge with regard to contingency plans against business interruption.

Summary

The Company has to the best of its abilities undertaken an extensive programme, which is on track to address the year 2000 issue. It should be noted that the programme has concentrated on those aspects of the business, which have been assessed to have either a severe or significant impact on the Company's business. Those less critical areas, which are rated as inconvenient and manageable in an adverse event, will be addressed following the rectification and contingency planning activities for all severe and significant resources.

The completion date for the overall Year 2000 Compliance Project is June 2000.

Year 2000 activities are seen by the Company as a catalyst for developing a more sophisticated business process infrastructure and risk management strategies to mitigate the impact of an adverse events which have the potential to cause business interruption.