PATHOLOGY
TECHNOLOGY
AUSTRALIA

20 ANNUAL REPORT

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The power of our technologies, diagnostic tests, and our industry are the drivers of innovative healthcare strategies and outcomes.

Our solutions are most often found in public and private pathology laboratories across Australia, and increasingly at the point-of-care, for HIV, diabetes and home glucose tests.

Chair's Report

I am very pleased to be providing my report in this my final year as Chair of Pathology Technology Australia (PTA). I have served 5 terms and as I step down from board activities I am happy to be handing over an organisation that is now the strongest we have ever been and poised for further growth and recognition into the future.

When I reported to you in 2019, I challenged PTA to leverage our achievements into a stronger leadership position across the industry. Little did any of us know the challenges that lay ahead.

I am very proud of the achievements our organisation made in 2020. Not only have we stabilised PTA, but we are now moving very clearly to being seen as leaders in our sector. A key part of this has been the appointment of Dean Whiting as our CEO. Dean and the board have set a clear 3-year plan which Dean is executing brilliantly. Key to our success has been the value proposition we are now offering to members.

COVID-19 provided us with an opportunity to demonstrate our value to members and the healthcare in Australia. With Dean driving this opportunity we have increased our presence in the media, within the healthcare bureaucracy and with collaboration partners. We are now in the healthiest position we have ever been in as an organisation. Thank you Dean.

During this past year, we have increased our membership, improved our financial position, increased our media and social media reach and have substantially raised our profile.

We continued to be a trusted consultant to the TGA, worked closely with the Department of Agriculture and had our first MSAC application accepted and published. We provided critical support to the Department of Health in Australia's response to COVID-19.

We again strongly supported the Know Pathology Know Healthcare campaign which facilitated the Continuity of Care Coalition (CCC). This is the first ever broad scale collaboration between healthcare organisations and consumer groups. The CCC engagements have been aimed at encouraging people back to the healthcare professionals and back to their pathology tests. This effort has seen the return of testing numbers across Australia.

We are now in a perfect position to drive further advocacy for members, for our sector and for the best interests of healthcare in Australia. My new challenge to the board and CEO is to focus on the innovations that will change the paradigms of how healthcare is delivered; Genomics, Digital Pathology, Automation and Point of Care.

In closing I want to recognise the team at Pathology Technology Australia; the contribution of my fellow Board Members – Antoinette Violo (Perkin Elmer), David Basseal (Roche Australia), Tony Feneziani (Merck Group), Karen McLeod (MP Biomedicals), Sally Hickman (Werfen Australia), and Vito Trifilo (Tecan Australia).

Their dedication to our organisation and our Industry has enabled us to drive the strategic agenda at an ever-increasing pace. I also want to acknowledge two other retiring members of the Board. Firstly Rayden Rivett (Cepheid). Rayden has been a consistent champion of our organisation and I thank him for his commitment over the past years. Secondly, John Crothers (Abbott Diagnostics). John has been a source of wisdom, guidance and inspiration to our Board and organisation. His contribution to our success over multiple years cannot be underestimated and I thank him for this.

I would also like to acknowledge the contribution of Jenny Zhou (Tecan Australia) to the Finance, Audit & Risk Management Committee and our Secretariat, Chami Gunasinghe. We continue to have the best people on our committees that care deeply about improving our business. It is this passionate commitment that ensures we can continue our successes.

To our Members, I thank you for your ongoing support and loyalty, and I look forward to seeing PTA grow the value offer to you today and into the future.

Sebastian D'Angelo
Chairman, Pathology Technology Australia

CEO's Report

What a year it has been!

We started out with some very clear goals, defined by our 3-year plan. Central to this plan is driving value for our members. I am very happy to report that we are ahead of plan, having already achieved most of the key outcomes for 2020.

Undoubtably some of our success has come from how we have dealt with the challenges thrown up by COVID-19.

It may have been Winston Churchill who first said, "never let a good crisis go to waste" and that was never truer of our current COVID-19 challenges. Let me dwell for a moment on some of the activities and achievements related to COVID-19:

- We are a leading supporter of the Continuity of Care Coalition (CCC) which has played an essential role in raising awareness of people returning to their healthcare plans. The "Don't Skip Tests" program had more than 275 million media engagements and led to a dramatic improvement in GP visits and pathology test requests.
- We have achieved mainstream TV, newsprint and digital media exposure as the peak body representing pathology technology suppliers.
- We completed an audit of the installed base of COVID-19 related testing platforms to assist in DoH planning for increased COVID-19 testing.
- Provided the DoH with a register of member companies and contacts who provide COVID-19 related testing platforms and kits.
- Interacted with the office of the MoH and with senior officers of the DoH (including Ms Penny Shakespeare, Assistant Secretary and Dr Gary Lum, Principal Medical Adviser) and the Department of Industry, Science, Energy and Resources (including Glenys Beauchamp, Assistant Secretary, now retired).
- We published multiple Podcasts, COVIDeocasts and 3 position papers and papers responding to statements from bodies such as the PHLN.
- We worked closely with the TGA on registration options and wording.

In addition, we provided advice to individual members on product registration, importation and in getting people and products across our borders. We liaised with the NRL to instigate a COVID-19 Serology test validation service and our submission to the Senate Standing Committee on Australia's Response to COVID-19 was published.

When we look at the main indicators of success for the year:

- We started with a declining member base but finished with 12 new members.
- We reported a financial loss in 2019 but turn that around to finish with a modest surplus.
- Our standing committees have attracted very talented leadership and members and their activities are aligned strongly with our 3-year plan.
- We continue to be a trusted consultant to the TGA and the Biologicals Import Division of DAWE.
- Our brand identity is now well known in key areas of policy, funding and regulation.

- We started the year with 217 LinkedIn members and finished with over 450.
- I sent out 75 CEO Updates and these consistently achieved an open rate of over 40%; almost double industry average.

We have also furthered collaborations in other areas. We worked closely with MTAA and MPT Connect on various COVID-19 activities that provided advice to government. In addition, we are one of the founding partners in InGeNA the first pan-industry body, focussed on the end to end value chain attributable to genomics in healthcare. Our collaboration partners are Medicines Australia, Australasian Institute of Digital Health, AusBiotech and MTP Connect. This collaboration indicates an important direction for our future, and I foresee us partnering with other healthcare stakeholders in the interests of our members.

5 years ago, PTA initiated an MSAC application for the reimbursement of HbA1c testing at the point of care. I am happy to report that this year our application was accepted by MSAC and (at the time of writing this report) was sent to the Minister for sign-off. I want to thank the sponsors of this application, particularly Adrienne Ripley from Roche, Mark Volling from Abbott and Colman Taylor from Health Technology Analysts for their hard work and persistence in getting this up. We have ambitious targets for future applications for funding.

As we look forward, there are many great opportunities on the horizon for us to increase awareness of the value that pathology technology delivers to our patients, customers and the healthcare economy. One such opportunity is our Canberra innovation day to be held in Parliament House on December 2. We will continue with the social media activities and ramp up our schedule of events. We also have further training opportunities with the TGA and the BICON team at DAWE.

I am very grateful for the fine work our committees are doing, from the Finance and Risk, to Regulatory, Code of Conduct and our Marketing committees, it is great to have your support and I appreciate the work you do very much.

I also want to acknowledge the fine support provided by Chami Gunasinghe to me and to the membership of our organisation.

In closing I want to announce two important initiatives that recognise the contribution made to our industry by Erica Flynn and Peter Harman. I will shortly be announcing commemorative seminars and awards that honour the name of these individuals who contributed so much to our organisation and sector. The Erica Flynn award will highlight contributions by women to the field of pathology. The Peter Harman seminars will showcase innovation in the application of pathology technology to solving healthcare challenges.

I look forward to your continued support, feedback and ideas as we – together - deliver the products and services that drive high quality, accessible and affordable healthcare in Australia.

Pathology Technology Australia
COVID-19 Activities and Achievements

Our collective activities and achievements during the COVID-19 pandemic have elevated the role we play in healthcare to new levels. We are now well known at senior department levels and within the Minister of Health and shadow minister's offices.

Member companies of Pathology Technology Australia worked very quickly to provide a comprehensive audit of the installed base of COVID-19 related testing platforms for;

- Nucleic acid tests, including RNA extraction systems and detection systems.
- Lab-based serology testing.

The audit demonstrated that the install base of nucleic acid test technology was substantial and could enable increased testing within the existing accredited pathology laboratory framework. However, supply of some critical components required to complete testing lagged demand in some cases. To address this, suppliers ramped up production and import of technology and consumables.

The gaps in supply have led to a push for both a local manufacturing capability and for increased diversity in supply of consumables from outside Australia. Once again Pathology Technology Australia was able to leverage our network to advise DISER on resources within Australia that could provide local manufacturing and supply. Key to this were some of our Australian based members, who quickly stepped in and filled some of the supply gaps.

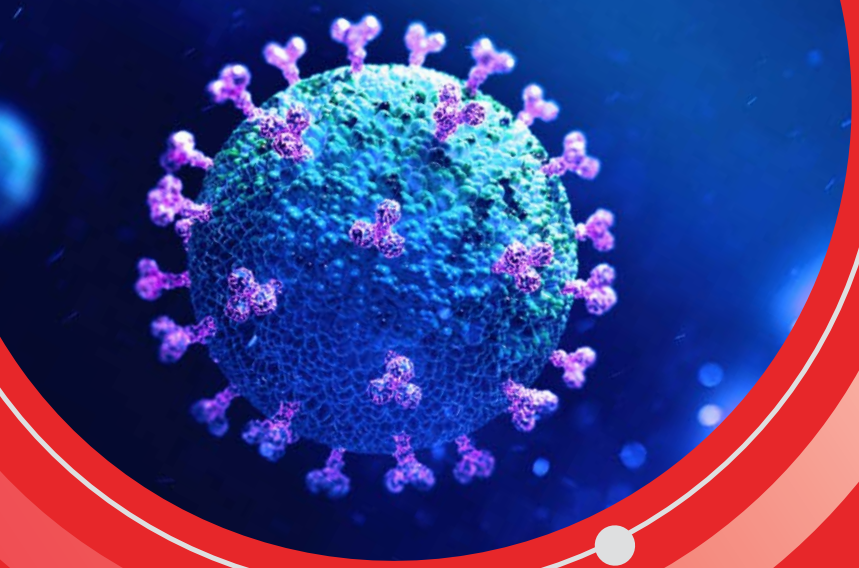
While some local manufacturing capability is likely to play a role in future challenges, it is highly likely such supply can provide only a small part of our requirements.

The audit also demonstrated that within the accredited pathology laboratory infrastructure there is enough capacity to significantly increase COVID-19 serology testing. Member companies have worked extremely hard to develop and manufacture the highest quality antibody tests for COVID-19 and are making these available for our accredited labs to run on high-volume, automated testing analysers. These serology tests are very similar in format and performance to the tests we use to detect antibodies for hepatitis, HIV and other infectious diseases.

Pathology Technology Australia is a major sponsor of the Know Pathology Know Healthcare program (run by Pathology Awareness Australia). It is through this program that we participate in a coalition of 35 healthcare related groups to form the Continuity of Care Coalition (CCC). This group has been responsible for raising awareness of the importance for people to continue looking after their health. We have achieved more than $270 mil in earned media which resulted in Australians returning to the healthcare plans through the "Don't Skip Your Test" program. This saw test numbers rebound close to the pre-COVID levels.

PTA has worked with members to facilitate cross border travel for essential staff, both in Australia and to New Zealand. We worked closely with DFAT to arrange preferential airfreight space from key locations.

We also worked very closely with TGA and DAWE on behalf of members to solve challenges and get applications prioritised.



Pathology Technology Australia published 3 position papers during the pandemic:

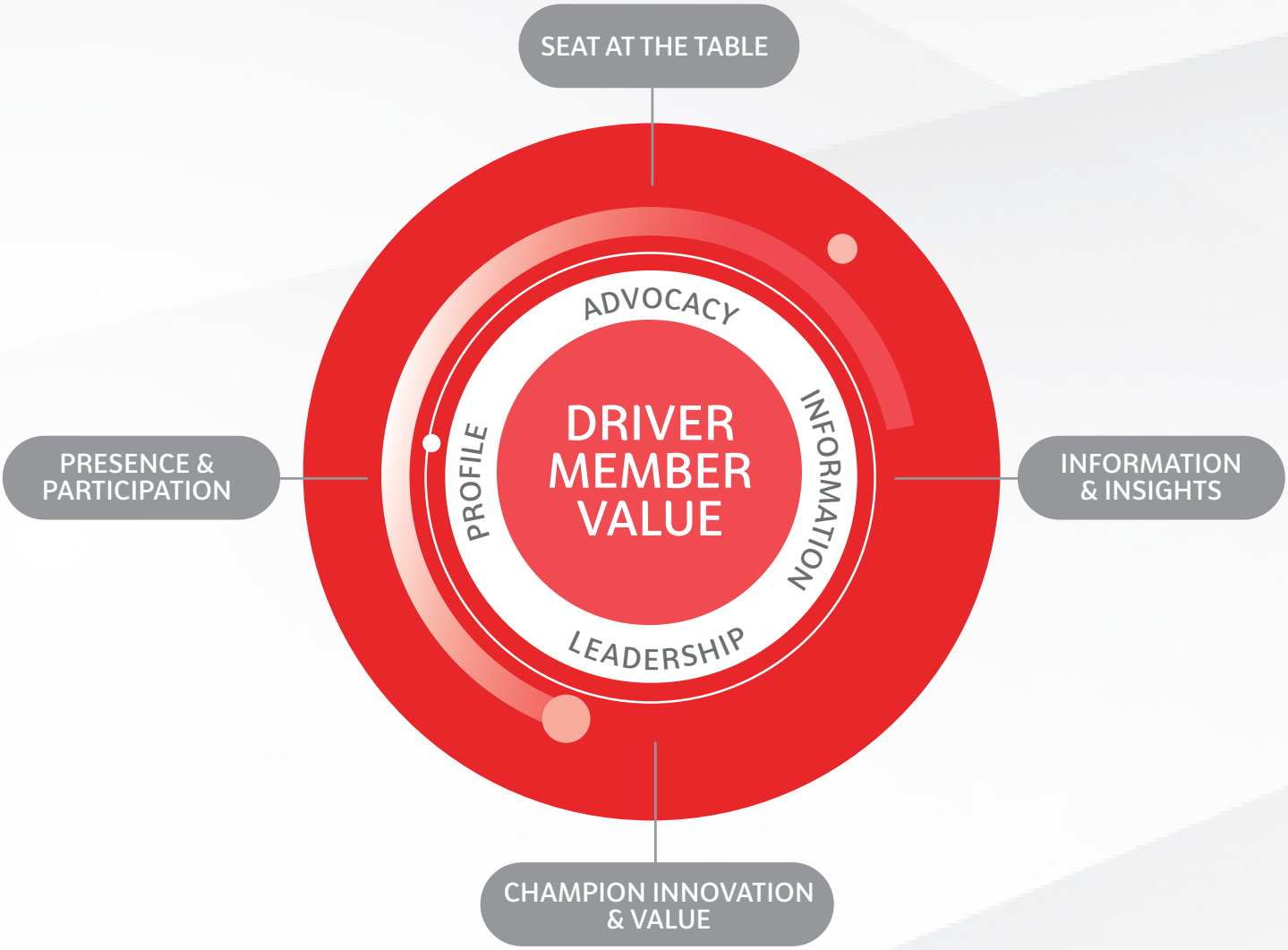
- *COVID-19 Avoiding the second Tsunami of Healthcare Challenges.* This paper was first published on 2nd April and outlined the concerns we had for people not following up on their healthcare needs outside of COVID-19.
- *National Testing Strategy for COVID-19 Recovery.* First published on 22nd April and recommended a testing strategy based on published data demonstrating that nucleic acid tests and serology testing together have greater diagnostic accuracy than either test done separately. Our recommendations suggested that serology testing has a role in our testing strategy as we emerge from the initial stages of this pandemic. It is important for our understanding of individual and population immunity and it is important for certain groups within our population, such as healthcare workers, teachers and first responders.
- *Making sense of a national testing stockpile.* First published on 4th May, this paper points out the challenges we face in developing a national stockpile of testing kits. It also highlights challenges we will face in maintaining local manufacturing capability at levels enough to supply our needs in a pandemic. Tests are not the same as PPE. They often have a very short shelf life and require exacting storage conditions. Our best suggestion for managing a short-term supply challenge is to fund supply companies to hold an extra 2- or 3-month's inventory in their local warehouses and have them manage the storage and turn-over of the stock accordingly.

We also submitted a paper to the Senate Standing Committee on Australia's Response to COVID-19, which was accepted and published.

Other activities:

- Interacted multiple times with the DoH, including Dr Gary Lum, Principal Medical Adviser.
- Worked with DISER on a weekly basis to provide critical supply information.
- Worked with TGA to have an accelerated assessment in place for COVID-19 test kits. TGA decided to go with an exemption strategy. We then worked with TGA to modify the wording of the exemption to include commercial pathology providers doing the tests.
- We collaborated with MTAA and MTP Connect on a report to the Government on the response of the medical technology companies.
- Worked with the DoH to have the wording of the COVID-19 PCR MBS item changed to remove the need for 2 tests. The original item descriptor mandated testing for other respiratory viruses and for COVID-19. This placed unnecessary strain on the already stretched supply chain for testing consumables.
- Communicated with the Biological Imports Division at DAWE in an attempt to gain accelerated entry for critical COVID-19 testing products. At the time we suggested that DAWE should prepare for many import permit applications.

Pathology Technology Australia
Strategic Plan



OUR VISION

Is of a healthier Australia that values our members as the driver of innovative technologies; integral to the highest quality, accessible and affordable healthcare system.

OUR MISSION

Is as the Industry peak body, we will advocate for our members and influence key stakeholders to foster an environment for success.

OUR VALUES

Innovation - by driving innovation, our members are critical to quality, accessible and affordable healthcare in Australia

Commitment - we are passionate about the technology our members deliver to the healthcare economy and will advocate to the fullest on their behalf.

Responsiveness - listening and acting in a timely manner to further the interests of members.

Collaboration - we seek to build successful partnerships in pursuit of common goals.

Our 3 Year Plan

ENERGISE

2019-2020

- Reconnect with members past, present and future to demonstrate our value prop
- Leverage new brand identity
- Gain recognition and trust with policy makers, regulators and payers
- Re-energise committee structure & membership
- Support PAA and participate in KPKH activities

*

ACTION

2021

- Voice on government advisory committees, working groups
- Use compelling health economic and other data to inform policy and funding for pathology technology
- Drive the issues that matter to our members
- Actively promote and showcase our technology and Value Proposition
- Initiate policy discussion on new technology, solutions and software

ACHIEVE

2022

- Represent industry players, who are actively engaged
- We are financially viable with good reserves
- We are invited to provide data and trends to inform better policy and funding decisions
- TGA and DAWR regulations and policies specifically recognise IVD products and their low risk profiles
- Valued for the new technologies and solutions we bring the health economy
- We actively showcase our technology and continue to support PAA

*All objectives for 2019 and 2020 have already been achieved.

Treasurer's Report

I would like to present the Pathology Technology Australia accounts for the financial year ending June 30, 2020. The accounts, audited by Nexia Australia, are included in this annual report and are available to those who wish to obtain a copy.

The main work of the Finance, Audit & Risk Management (FARM) Committee has been in financial stewardship and ensuring that our members are experiencing value for money. Through change, a strong focus on new members and associates, diligent risk management and cost control, we will continue to ensure the financial stability and security of the organisation. We plan on investing in strategic projects with a greater presence on social media to showcase how our technology delivers important healthcare outcomes.

Following a fruitful year with our CEO being in the post for 15 months, I report that our income for the year was above budget at $490,471 due to a combination of membership, training, events and interest. This total income increased by $54,008 on last year's income.

Our expenditure for the year was $433,340. Expenses were lower by $48,450 versus the previous year. Office lease (unbudgeted), design and print (underbudgeted) and a strategic project with MTAA (unbudgeted) were offset by savings in travel, face to face meetings, computer and audit fees.

Project expenses accounted for $58,970, including Code of Conduct, Pathology Awareness Australia, the Australian GDMS, and a strategic project with MTAA.

Federal Government GST breaks related to COVID-19 business incentives resulted in a one-time $43,905 benefit to our finances. This has been retained in our account at the ATO to off-set future GST obligations.

Full details of the income and expenditure can be found in the accounts published in this report.

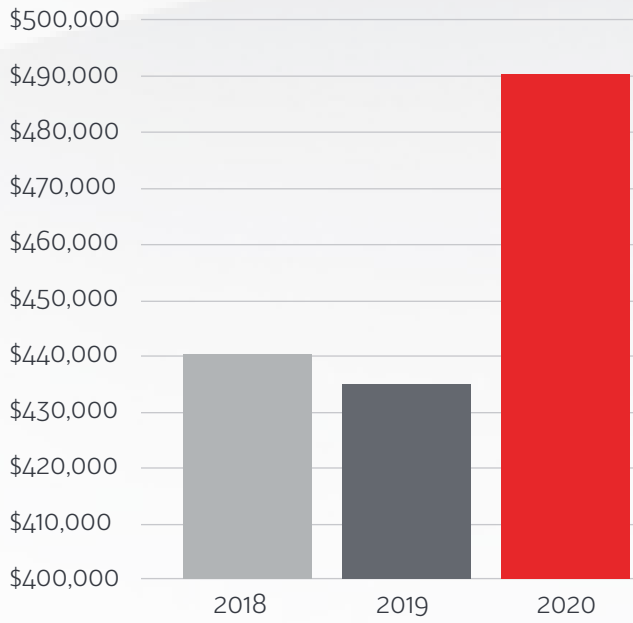
I would like to thank the FARM committee; Dean Whiting (CEO) Sebastian D'Angelo, Rayden Rivett, Jenny Zhao (CPA) and Chami Gunasinghe for all the time and effort put into helping us to strive for financial stability and diligent risk management.

In summary, as a not for profit organisation, I am pleased to report a successful year. The financial position of Pathology Technology Australia is stronger than ever, due to the increase in income driven by a larger membership base and expense management, aided by COVID-19 isolation.

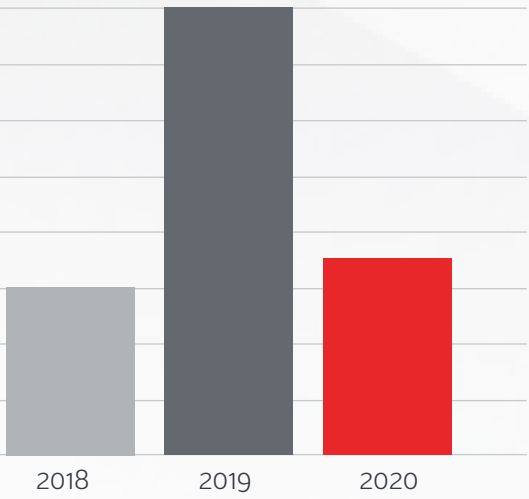
Thank you and best regards,

Vito Trifilo

TOTAL INCOME



TOTAL EXPENSE



EXPENSES BREAKDOWN

Finance, Audit & Risk Management Report

The main focus of the Finance, Audit & Risk Management (FARM) Committee has been in financial stewardship and ensuring that our members are experiencing value for money.

As a not for profit industry organisation we have limited financial resources. Our primary responsibility is to our members. As recipients of member funding, we also have a responsibility to use our resources wisely. These factors mean that the board's attitude to risk is generally cautious. It is also the responsibility of the Board, delegated to the FARM Committee with the assistance of the CEO, to carry out risk management analyses of the organisation, and to take appropriate measures.

Therefore, the FARM Committee ensures that:

- A CEO for the organisation is nominated;
- Effective risk management procedures are in place, applicable to all relevant areas;
- Risk management procedures are reviewed regularly;
- Recommendations arising out of the risk management process are evaluated and, if necessary, implemented; and
- Employees are aware of all applicable risks and familiar with the organisation's risk management procedures.

Finance Audit and Risk Committee

Rayden Rivett
Sebastian D'Angelo
Vito Trifilo (Chair)
Chami Gunasinghe
Dean Whiting
Jenny Zhao

Of focus in 2019-20 has been the risk register, which has been strengthened with the inclusion of a priority action plan and dashboard.

Members of the current committee are Dean Whiting (CEO) Sebastian D'Angelo, Rayden Rivett, Jenny Zhao (CPA), Chami Gunasinghe (Executive Support) and myself as chair. We meet every six weeks to discuss the current financial and risk position of our organisation with the goal of financial stability and diligent risk management. Sebastian and Rayden will be retiring from the Board of Directors and 2 new FARM Committee members will join.

Given our strong 2019-2020 year due to increased income and decreased expenditure, our goals for 2020-2021 are to continue to grow our membership base. We will continue our vigilance on costs. At the same we will make strategic investments in activities that drive new member value. Lastly, the FARM Committee will continue vigilance on risk and risk assessment as well as our financial security.

Thank you & best regards,

Vito Trifilo

Technical & Regulatory Standing Committee

The technical and regulatory standing committee focus on advancing regulatory awareness and positively impacting regulatory requirements.

As we are all aware this year, COVID-19 lead to some incredibly fast, lean work by the Regulatory, Quality and Technical teams within companies and within our Regulators. Strategic, new product applications submitted by all our member company RA Associates were essential for businesses, our customers and the people they serve. We would like to thank everyone who plays a Tech and RA/QA role for putting in the extended effort to support the Australian public.

In late 2019 the TARSC members advocated for various cross departmental discussions between the Therapeutic Goods Administration (TGA), the Department of Agriculture, Water and the Environment (DAWE) and other branches of the Department of Health impacting our member products. We see meetings of this nature now aligning with the Government's stance towards greater efficiencies for business. To date, we have participated in 2 meetings between TGA and DAWE. This will flow over to FY21 as our hard work in raising concerns and setting up these meetings is paying off.

Delegates of TARSC have attended the quarterly TGA RegTech Forum and half yearly DAWE Biological Consultative Group meetings. We have successfully contributed to all relevant consultancy documents and have reviewed and provided clarifications for guidance documents. We have been monitoring and raising awareness of impending Regulation change impacts, as seen in several of the CEO Update this last year.

We have been singled out for recognition by the Head of the Biologicals Import Division at DAWE for our contributions to improving processes.

We have consulted internally and externally on a number of Regulatory topics that impact our products and procedures:

- Substantial Changes guidance document
- Post-market Review Sponsor portal testing
- Consultation on the Proposed changes to Medical Device (IVD) Essential Principles
- Consultation on the Review of the regulation certain self-testing IVDs Australia
- Input via discussion and consultation on Software as a medical device
- Fees and charges proposal 2020-21
- Draft Guidance on regulatory requirements for IVD Companion Diagnostics
- Draft standards for faecal microbiota transplant (FMT) products
- Participated in a phone discussion with TGA on controlled substances
- Participated in the TGA Digital Transformation Industry Input Session
- Members participated in a consultant review of the Recalls Unit and Processes
- Input to information gathering on UDI and the implementation of a pilot program
- Clinical evidence guidelines supplement- In vitro diagnostic (IVD) medical devices issued in March 2020 – TARSC members worked significantly on this document in support of our overseas Manufacturer's understanding.

Technical and Regulatory Committee

Aileen O'Connor
Alex Leung
Chami Gunasinghe
David McLean
Dean Whiting
Erica Loh
Hoon Koh
Karen Macleod
Kasey Kime
Lazarela Vucinic
Libby McDermott
Lillies Chen
Melissa Robins (Chair)
Merrilyn Colussi
Michael Gunter
Neralie Coulston
Peter Lower
Peter Traynor

Marketing Development Committee

The market development committee (MDC) is focussed on raising the overall awareness of the role technology plays in a healthy pathology sector. The MDC aims to deliver value by driving projects that increase market growth and access for Pathology Technology Australia members.

Over the course of 2019-20 the MDC met monthly

The MDC is working to;

- Deliver value by collecting relevant and current sales data from members to provide regular consolidated market trend reports to members
- Support members by creating opportunities for joint supplier funding submissions to MSAC
- Leverage our member's combined knowledge and experience to provide industry specific comments and position statements to influence outcomes in policy, regulatory and funding decisions
- Help raise awareness to the value of technology in Pathology by looking for opportunities for PTA members to interact with key stakeholders and decision makers.

Current projects underway led by the MDC

1. Health Economics Project: This project is aimed at developing a process for collecting data from members to generate an overall picture of the size, growth and trends in the pathology market. This information is difficult to obtain currently and is often inaccurate and not specific to the Australian market. In Phase 1 of this project, members will be asked to contribute data about sales to core laboratory departments using a template developed by MDC. To preserve the confidential nature of this data, the collection and analysis steps will be performed by an independent data consolidator hired by PTA to manage this process. Consolidated reports will be provided back to members for use in market and share analysis.

2. Subject Matter Expert Project: This project aims to bring together subject matter experts within member organisations to form panels that will participate in discussions and provide input into position papers that are relevant to PTA. Currently, two such SME panels have been created. The first is a genomics SME panel who is (amongst other things) participating in the establishment of InGeNA the pan-industry genomics network alliance. The second is a COVID-19 SME panel who is drafting a paper on potential algorithms for ongoing testing for Sars-CoV-2 in Australia, including both molecular and serology-based tests.

3. Leverage PTA members' expertise and experience to draft MSAC submissions. This project aims to tap into the experience member companies have had in submitting MSAC submissions to maximise successful future joint submissions. MDC has been collecting feedback from members who participated in the HbA1c at point of care (POCT) submission, which recently received support from MSAC. The learnings from this submission will be used for future POCT submissions planned for 2021.

4. Raise awareness to the value of technology to Pathology project. The committee has been working with the London Agency to plan and organise a technology event day at Parliament House on the 2nd of Dec 2020 (COVID-19 permitting). The objective of this event is to enhance the awareness of parliamentarians and other officials to the contribution that pathology technology companies make to the healthcare system. To illustrate the value of pathology technology, PTA members' response to the COVID-19 pandemic will be showcased. Delegates will also be encouraged to visit our technology stations where they will gain a greater appreciation for technologies used in other areas of pathology, along with the range of services that members offer to pathology laboratories.

Future projects: 2021 already looks like a busy year for the MDC. The team will on expanding on some of the projects outlined above and consider new projects that will further the objectives of PTA.

Specifically, we will focus on the following:

(A) Once the process for collecting data for core lab departments is established and working, the team plans on implementing Phase 2 of the health economics project to add data collection for other departments including, molecular, microbiology, POC and others.

(B) Work with broader members of PTA to develop MSAC submissions for other tests.

(C) Work with the genomics SME to develop position papers on new technologies and areas of testing

(D) Identify new opportunities to interact with PTA stakeholders, including possibly a joint meeting with Medicines Australia in 2021.

During the year, Jim Kakaflikas stepped down as Chair. We thank Jim for his contribution and look forward to welcoming him back to the committee when time permits.

Market Development Committee

Adrienne Ripley
Brooke Troth
Chami Gunasinghe
Daniel Legovich
Jackson Jones
Jennifer Devereaux
John Emmerson
Karen McLeod
Mark Volling
Nicolas Latouche (Chair)
Dean Whiting

Marketing & Communications Committee

The Market Communication Committee (MCC) is a communication platform, for our members and key stake holders.

The Marketing & Communications Committee provides strategic advice on the delivery of promotional campaigns and events designed to increase awareness of the brand and positioning of Pathology Technology Australia. 2020 is certainly a year when the value of pathology has been in the spotlight and this gave the MCC the opportunity to increase the profile of our association in a climate where an appreciation of diagnostics was high in the wider community.

The Key Activities the MCC conducted in FY19-20 were:

- Social media campaign to increase awareness to the wider community: across multiple platforms (LinkedIn, Twitter, etc) our sub
- Podcasts – 25 podcasts have been produced with over 500 views on some podcasts. Dean Whiting has done an exceptional job of attracting key opinion leaders to share their experiences with the technologies that support the pathology field
- COVIDEOCASTS – were another social media interaction that highlighted the critical role our members played in the Australian COVID response. 12 COVIDEOCASTs were shared on social media
- Supporting events such as the 2019 AGM and panel discussion

The MCC is excited to support the Market Development Committee in their efforts to promote the Technology Day planned for Canberra parliamentarians in December 2020. This will be a fantastic event to showcase the member companies behind the technologies supporting the diagnostics discipline.

In the coming year, our fundamental objective will be to build on the activities described above and continue to elevate the profile of PTA.

I have the pleasure of working with fellow committee members; Antionette Violo (Perkin Elmer), Aida Mulabecirovic (Roche), Michael Wawrynziak (BD), Dean Whiting (CEO), John Emmerson (London Agency), and Chami Gunasinghe (EA). We wish to thank the participating member companies and staff of London Agency and for their involvement and participation in PTA events and activities.

Market Communication Committee

Antoniette Violo
Aida Mulabecirovic
Chami Gunasinghe
David Basseal (Chair)
Dean Whiting
John Emmerson
Michael Wawrzyniak

Code Administration Committee
Report August 2020

There have been no Code of Practice violations reported during period July 1 2019 to June 30 2020. Our Code of Practice is an important way we communicate our members' commitment to fair, ethical and compliant business practices. All member companies agree to abide by our Code when they join and when they renew their membership annually.

Pam Davis, Chair of the Code Administration Committee, has elected to step down. The Board, on behalf of all members, sincerely thank Pam for her diligence and guidance over the past 10 years in her stewardship of our Code.

Our Code of Practice was a main pillar of this organisation when we first launched, 11 years ago. Since then, many of our member companies have instituted extensive codes of their own – with mandatory training, audit and certification processes. Many of these now meet or exceed the requirements set out in our Code.

In line with changes in our industry, the Board has approved changes to the way we administer our Code of Practice and has proposed the appointment of an independent Code of Conduct Commissioner.

This Commissioner will be responsible for:

- Reviewing our Code of Practice
- Accepting and investigating any complaints of Code violations:
- Being available to assess member company codes to determine if they meet the threshold set in our Code
- Reporting on Code activities to the Board and membership.

In summary, our aims are -

- Have the Code give clear guidance as to the business conduct expected for our sector;
- Continue to maintain high standards in our Code of Practice;
- Minimise duplication of effort for companies with comparable codes;
- Strengthen our application of the Code of Practice by appointing an independent Commissioner.

Hence the Board has drafted changes to our Code in line with current best practices and to accommodate the administration of our code by an independent Commissioner. These changes will be ratified at the 2020 Annual General Meeting.

Know Pathology Know Healthcare Report: The unforgettable year

We face 2021 with confidence that PAA, and its key member PTA, have never been in better position to communicate the value of pathology in healthcare.

2020 is proving to be a memorable year for all the wrong reasons, but may lead to some positive outcomes. We welcomed the start of a new decade with ferocious bushfires rocking many Australian communities. The passing of that crisis was only to be surpassed by the most destabilising phenomenon of many of our lifetimes: COVID-19.

The coronavirus has catapulted the value of pathology technology into public view in a way that has never been seen before. Prior to this year, how many people outside of the IVD sector knew what a PCR test was? Not many. That has all changed.

The pandemic has spurred growing recognition that pathology, and with it, pathology technology is the foundation stone of every public health system. A quirk of coronavirus is that it took a generation defining global health crisis to showcase the importance of the work that we do.

Throughout 2020, Pathology Awareness Australia (PAA) and its *Know Pathology Know Healthcare* campaign have been directed at addressing another major unintended consequence of the coronavirus crisis – patients abandoning healthcare due to fears of COVID-19.

Concerns about catching the virus fuelled reluctance from Australians to engage with healthcare professionals and pathology collection centres. This is worrying because preventable chronic diseases and cancers that might ordinarily be diagnosed early may go undetected and untreated, creating a far greater public health threat than COVID-19.

A directional 40% sector wide fall in pathology testing that occurred in a mid-March 2020 represented what was happening in the wider healthcare ecosystem as a result of COVID19 containment measures.

Given the scale of the health emergency it needed immediate action.

In the space of just 10 days London Agency and the PAA Chair, PTA Board member John Crothers, activated more than 20 top tier Health Consumer Organisations and Healthcare Professional Organisations to advocate the importance of patients maintaining pathology testing.

They were able to mobilise these healthcare stakeholders swiftly due to the organisations' experiences of the value of pathology via interactions with Know Pathology Know Healthcare over the previous years of the campaign.

What followed was the *Don't Skip Tests* campaign - a high impact earned media and social media campaign that included a media reach of 260 million, social media reach of more than 2 million and engaged Department of Health bureaucrats, Federal and State Health Ministers and many politicians.

During the course of the *Don't Skip Tests* campaign, pathology testing levels have returned to nearly the levels seen before COVID-19. There are still disease states where lower participation remains, not least cervical cancer screening, which PAA is addressing via a dedicated consumer awareness campaign supported by Pathology Technology Australia members.

Don't Skip Tests has led to the creation of The Continuity of Care Collaboration – an Australian first initiative of more than 37 high profile health consumer organisations and healthcare professional organisations who are closely aware of the value of pathology and are looking to work with PAA members including Pathology Technology Australia (PTA) to further enhance the profile of pathology.

The activations of the *Don't Skip Tests* campaign are in line with PAA's objectives to communicate the role of pathology to: general public; health consumer organisations; healthcare professionals, and government. The objectives were formed in this way so that the PAA could respond to unexpected emergencies in a rapid and multilevel way as we have seen earlier this year.

The work that PTA members do is essentially an enterprise where science technology produces meaningful health data. That pathology testing volumes were able to be "the canary in the coalmine" to alert to an impending health crisis serves as another example of the value of our work, which whilst we may have always known it, has taken a pandemic to be revealed.

COVID-19 is a case study of the significance of what we do across so much of the healthcare spectrum.

We will not forget 2020 easily, although many of us might wish to! We face 2021 with considerable uncertainty, but confidence that PAA, and its key member PTA, have never been in better position to communicate the value of pathology in healthcare.

Director's Report

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2020.

1. GENERAL INFORMATION

(a) Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Sebastian D'Angelo (Chair)	Appointed 20 February 2014 to present
Mr Vito Trifilo (Treasurer)	Appointed 17 September 2015 to present
Mr John Crothers	Appointed 14 October 2011 to present
Mr David Basseal	Appointed 26 February 2019 to present
Ms Sally Hickman	Appointed 21 February 2018 to present
Ms Antionette Violo	Appointed 28 February 2018 to present
Ms Karen Macleod	Appointed 28 February 2018 to present
Mr Tony Feneziani	Appointed 28 February 2018 to present
Mr Rayden Rivett	Appointed 17 September 2015 to present

(b) Company secretary

Dean Whiting has held the role of Company Secretary since 18 March 2019.

(c) Short term objectives

The Company's short term objectives are to:

- To retain and grow the diversity of members
- To maintain and grow a Reserve Fund of $240,000
- To present TGA regulatory support to members as required in 2019-20
- To ensure regular ongoing meetings with Members to determine the industry's key issues
- To work with Pathology Awareness Australia and other stakeholders to maintain the 'Know Pathology Know Healthcare' program.

(d) Long term objectives

The Company's long term objectives are to:

- To cultivate the Association to a financially sustainable future, providing value added services to members
- To Diversify revenue sources to include events management and market data reports
- To provide up-to-date industry and regulatory information
- To increase public and government knowledge and understanding of the value of the IVD industry
- To maintain recognition as the peak body representing the IVD industry
- To provide leadership in the commercial technical and regulatory environment in which members operate
- To operate a Code of Practice that is representative of the PTA and wider community with an equitable and transparent complaints process
- To demonstrate strong corporate governance of the sector
- To influence direct regulatory policy to the benefit of members.

(e) Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Grow current membership base by creating clearly identifiable benefits of PTA membership
- Set and manage budgets that include a contingency fund
- Actively encourage and support participation by all members
- Provide easily accessible relevant and current industry information to members
- Provision of quality training and networking opportunities for members
- Engage with RCPA, NCOPP and PA to build active co-operation and consultation on reimbursement issues
- Engage with all levels of government to ensure PTA is recognised as a key stakeholder in the pathology industry
- Develop relevant publications on topics that can demonstrate PTA's benefits to the community such as POCT, the role of diagnostics in prevention and treatment of chronic disease and the PTA code of conduct
- As the peak body for the IVD Industry, work with regulatory agencies and participate in government committees, taskforces and working groups, forums, committees and one-on-one meetings
- Monitor legislation and policies for their effect on IVDs
- Ensure that timely and transparent ballots are held for the Board and all Committees
- Create a clear and transparent Code of Conduct process
- Ensure fair and equitable representation of all members
- Create opportunities for members to proactively engage in Association activities
- Develop an understanding of IVD benefits within the Consumer Health Community
- Develop and promote a range of policies that support the IVD Sector including POCT, Chronic Disease, Pharmacogenomics and reimbursement
- Develop links with and enhance knowledge of the benefits of IVDs within the Health and Insurance sectors.

(f) Principal activities

The principal activity of Pathology Technology Australia Limited during the financial year during the financial year involved facilitating the growth and development of the in-vitro diagnostics industry in Australia.

No significant changes in the nature of the company's activity occurred during the financial year.

(g) Business review

(i) Operating results

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The net profit of the Company for the financial year ended 30 June 2020 amounted to $101,036 (2019:$45,327 net deficit).

(ii) Dividends

The Constitution of the Company does not permit the payment of dividends.

(h) Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

(i) Information on directors

The names of each person who is a director at the date of this report are:

Mr Sebastian D'Angelo (Chair)

General Manager, Laboratory Diagnostics Division, Siemens Healthineers – Australia & New Zealand.

Sebastian has over 30 years' experience within the Australian IVD industry, having worked as a medical scientist in public pathology laboratories before moving to senior roles at Chiron Diagnostics and Bayer Diagnostics and now at Siemens Healthineers Diagnostics. Sebastian holds a Bachelor of Applied Science (MLS) degree from RMIT University and a Master of Marketing degree from the Melbourne Business School. He is a Member of the Australian Institute of Company Directors.

Mr Tony Feneziani

Head of Research Solutions ANZ, Merck Group

Tony has over 25 years commercial experience in the in vitro diagnostic and life sciences industries. During this time, Tony has undertaken a range of leadership roles including commercial operations, sales and marketing and business development.

Tony's current role at Merck also includes Country Leadership Team membership of the Merck Life Sciences operation in ANZ.

Sally Hickman

General Manager, Werfen Australia & NZ

Sally has over 12 years experience in the Australian IVD industry having undertaken key roles in the areas of strategic marketing and customer account management. in 2012, Sally joined Werfen Australia and assumed key management responsibilities at a time when company took direct operations of key business units in Oceania.

Sally has a passion for diagnostics having trained and worked in public pathology laboratories for more than 5 years in the UK.

Sally holds a Bachelor of Science degree in Biomedical Sciences from The University of Bradford, UK and a Master of Science in Biomedical Sciences degree (specialising in Haematology) from The University of Ulster, UK

Mr David Basseal (Vice Chair)

Business Area Manager, Pathology at Roche Diagnostics Australia

David Basseal has over 20 years industry experience in Life Sciences with 12 years specifically in In-Vitro Diagnostics. David commenced his career as a scientific researcher in the field of proteomics. He entered the commercial arena with Bio-Rad Laboratories Australia/New Zealand and held positions of increasing responsibility over a 7 year period. David then spent 9 years with Becton Dickinson (BD) leading numerous businesses within the diagnostics area. David final role at BD was the Business Director for Diagnostics for Australia/New Zealand at Becton Dickinson. Today David is with Roche Diagnostics Australia and holds the position of Business Area Manager for Pathology.

Mr Vito Trifilo (Treasurer)

General Manager, Tecan Australia

My experience in the Life Science and in vitro diagnostic businesses in the Australian and New Zealand markets spans over 25 years. The majority of these years have been in business development, sales and commercial roles. My venture into this space started as a company representative with AMRAD Pharmacia Biotech during the start-up phase. My current role is General Manager at Tecan Australia (a position held for over 7 years), with ANZ sales, marketing, legal and regulatory compliance responsibilities. Tecan is a leading global provider of laboratory instruments and solutions (strongly automation focussed) in biopharmaceuticals, forensics and clinical diagnostics.

Karen Macleod

Director and Country Manager, MP Biomedicals

Karen's 30-year career in the in-vitro diagnostics and pharmaceuticals industries began as a medical scientist in public pathology and includes varied sales and management roles with Australian based global companies such as BioMerieux, Boehringer Mannheim

(now Roche) and GSK. Currently Director and Country Manager at MP Biomedicals, she is responsible for all sales, management, and regulatory functions. Karen has a Bachelor of Applied Science and Graduate Diploma in Marketing from UTS, Sydney and has been a member of the IVD Australia Technical and Regulatory Standing Committee since 2011.

Antionette Violo — **Regional Sales Director, Diagnostics, PerkinElmer**

My association with the life sciences, human health and diagnostics industries has extended for over 25 years across the commercial and academic sectors. I am currently the Regional Sales Director for PerkinElmer's diagnostic's business in the Applied Genomics division.

My commercial career commenced when I was approached to start the Life Sciences Division of PerkinElmer in Australia. I have been fortunate to progress within the organisation and have managed divisions and many staff across Australia, New Zealand and Asia for over 15 years. A significant achievement I am very proud of has been to partner PerkinElmer in the commercialisation of an Australian developed immunoassay kit (TGR Biosciences).

I was approached to join the Diagnostics Division twelve months ago to develop the Applied Genomics division within the Asia Pacific region. This has been an exciting challenge and a personal interest of mine in observing the impact that translational medicine has on human health outcomes.

John Crothers — **Pathology Awareness Australia Regional Director, Abbott Diagnostics Pty Ltd**

John Crothers is the Regional Director for Australia and New Zealand. Prior to the role in Australia, John was the Commercial Director for Asia Pacific and has also had several years in US Marketing. With over 25 years' experience in the pathology industry in both the laboratory and IVD, the appreciation of the value of the industry in healthcare is a passion that John continues to pursue. John has a BSc(MLS) from RMIT and a Graduate Diploma in Business Administration from Swinburne University.

Rayden Rivett — **General Manager, Cepheid Holdings Pty Ltd**

Rayden has been continuously involved in the IVD Industry since 1979 working in sales, marketing and senior management. For 15 years he was Managing Director of bioMérieux in Australia and since 2006 has worked in the USA, Asia-Pacific and more recently in establishing Australian subsidiaries for overseas-based IVD companies. Rayden has represented the IVD sector in the past, being a Board member of MIAA (now MTAA) from 1999 to 2006 and its Vice-Chair (2003-2004), a member of their Diagnostic/IVD Standing Committee 1994-2001, member of the Market Development Committee (1997-2003) and its Chair (2000-2002).

(i) Events subsequent to reporting date

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

(j) Likely developments

The Company will continue to pursue its principal activities at a surplus. It is not expected that the results in future years will be adversely affected by the continuation of those operations.

Future disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

(k) Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under Australian Law.

(l) Indemnification and insurance of officers and auditors

(i) Insurance premiums

During the financial year, the company has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 30 June 2020. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contracts.

(ii) Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

(m) Members guarantee

Each member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up, while he/she is a member, or within one year after he/she ceases to be a member, for the payment of debts and liabilities of the Company, charges and expenses of a winding up, and for the adjustment of the rights of the contributions among themselves, such amounts as may be required not exceeding twenty five dollar ($25.00).

2. Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	FULL BOARD	
	ATTENDED	HELD
Mr Sebastian D'Angelo (Chair)	5	5
Mr Vito Trifilo (Treasurer)	5	5
Mr John Crothers	5	5
Mr Rayden Rivett	4	5
Ms Karen Macleod	4	5
Ms Antoniette Violo	5	5
Ms Sally Hickman	4	5
Mr Tony Feneziani	4	5
Mr David Basseal	5	5

Held: represents the number of meetings held during the time the director held office.

3. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Sebastian D'Angelo
Chair

Mr Vito Trifilo
Treasurer

Dated: 26th August 2020

Nexia Australia

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

As audit partner for the audit of the financial statements of Pathology Technology Australia Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Nexia Sydney Partnership

Mark Boyle
Partner
Sydney

Dated: 26 August 2020

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Financial Statements

For the Year Ended 30 June 2020

General Information

The financial statements cover Pathology Technology Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Pathology Technology Australia Limited's functional and presentation currency.

Pathology Technology Australia Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2020

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

		2020	2019
Revenue	**Note**	**$**	**$**
Revenue	3	**485,584**	429,805
Interest income		**4,887**	6,658
Total Income		**490,471**	436,463
Government grants	4	**43,905**	-
Expenses			
Employee benefits expense	5	**(278,837)**	(257,561)
Depreciation and amortisation expense	5	**(1,386)**	(823)
Administrative expenses		**(153,117)**	(223,406)
Surplus/(deficit) before income tax expense		**101,036**	(45,327)
Income tax expense		**-**	-
Surplus/(Deficit) for the year	14	**101,036**	15,377
Other comprehensive income		**-**	-
Total comprehensive income for the year		**101,036**	(45,327)

Statement of Financial Position

As at 30 June 2020

	Note	2020 $	2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**310,316**	374,073
Trade and other receivables	7	**15,690**	10,667
Other	8	**3,287**	1,276
Total Current Assets		**329,293**	386,016
Non-Current Assets			
Plant and equipment	9	**5,815**	2,065
Total Non-Current Assets		**5,815**	2,065
Total Assets		**335,108**	388,081
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**17,336**	51,501
Employee benefits	11	**24,281**	10,057
Contract liabilities	12	**13,728**	149,652
Total Current Liabilities		**55,345**	211,210
Non-Current Liabilities			
Employee benefits	13	**4,992**	3,136
Total Non-Current Liabilities		**4,992**	3,136
Total Liabilities		**60,337**	214,346
Net Assets		**274,771**	173,735
EQUITY			
Retained surpluses	14	**274,771**	173,735
Total Equity		**274,771**	173,735

Statement of changes in Equity

For the Year Ended 30 June 2020

	RETAINED PROFITS $	TOTAL EQUITY $
Balance at 1 July 2018	**219,062**	**203,685**
Deficit after income tax expense for the year	(45,327)	(45,327)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(45,327)	(45,327)
Balance at 30 June 2019	**173,735**	173,735
Balance at 1 July 2019	**173,735**	**173,735**
Surplus after income tax expense for the year	101,036	101,036
Other comprehensive income for the year	-	-
Total comprehensive income for the year	101,036	101,036
Balance at 30 June 2020	**274,771**	**274,771**

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		**377,912**	612,154
Payments to suppliers (inclusive of GST)		**(486,067)**	(535,742)
		(108,155)	76,412
Interest received		**5,945**	6,658
Other revenue		**43,905**	-
Net cash from/(used in) operating activities		**(58,305)**	83,070
Cash flows from investing activities			
Payments for property, plant and equipment	9	**(5,452)**	(675)
Net cash used in investing activities		**(5,452)**	(675)
Cash flows from financing activities			
Net cash from financing activities		**-**	-
Net (decrease)/increase in cash and cash equivalents		**(63,757)**	82,395
Cash and cash equivalents at the beginning of the financial year		**374,073**	291,678
Cash & cash equivalents at the end of the financial year	6	**310,316**	374,073

Notes to the Financial Statements

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right- of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

(ii) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue Recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iii) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(iv) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

AA liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(v) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(vi) Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(vii) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture, fixtures and fittings 3 - 5 years
Computer equipment 3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate,at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(viii) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(ix) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(x) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(xi) Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

(xii) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(xiii) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

2. Critical accounting judgements, estimates and assumptions

(i) Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(ii) Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(ii) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

3. Revenue

	2020	2019
	$	$
Member subscriptions	**485,584**	426,174
Other revenue	**-**	3,631
	485,584	429,805

4. Government grants

	2020	2019
	$	$
Government stimulus package	**43,905**	-

5. Employee Benefits Expense

	2020	2019
	$	$
Wages and salaries	**240,064**	242,600
Superannuation	**22,692**	23,261
Provision movements	**16,081**	(8,300)
	278,837	257,561

6. Current Assets - Cash and Cash Equivalents

	2020	2019
	$	$
Cash at bank	**70,316**	134,073
Cash on deposit	**240,000**	240,00
	310,316	374,073

7. Current assets - Trade and Other Receivables

	2020	2019
	$	$
Trade and other receivables	**1,055**	10,667
Other receivables	**14,635**	-
REVENUE	**15,690**	10,667

8. Current Assets - Other

	2020	2019
	$	$
Prepayments	**3,287**	1,276

9. Non-Current Assets - Plant and Equipment

	2020	2019
	$	$
Computer equipment - at cost	**8,501**	14,871
Less: Accumulated depreciation	**(2,686)**	(12,806)
	5,815	2,065

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	COMPUTER EQUIPMENT	TOTAL
	$	$
Balance at 1 July 2019	**2,065**	2,065
Additions	**5,184**	5,184
Depreciation expense	**(1,434)**	(1,434)
Balance at 30 June 2020	**5,815**	5,815

10. Current Liabilities - Trade and Other Payables

	2020	2019
	$	$
Other payables	**5,692**	11,957
GST collected	**1,491**	11,851
Accrued expenses	**10,153**	27,693
	17,336	**51,501**

11. Current Liabilities - Employee Benefits

	2020	2019
	$	$
Annual leave	**24,281**	10,057

12. Current Liabilities - Contract Liabilities

	2020	2019
	$	$
Revenue received in advance	**13,728**	149,652

13. Non-Current Liabilities - Employee Benefits

	2020	2019
	$	$
Long service leave	**4,992**	3,136

14. Equity - retained surpluses

	2020	2019
	$	$
Retained surpluses at the beginning of the financial year	**173,735**	219,062
Surplus/(deficit) after income tax expense for the year	**101,036**	(45,327)
Retained surpluses at the end of the financial year	**274,771**	173,735

15. Superannuation Commitments

The company has a legal obligation to contribute superannuation for all employees. The company contributes to complying accumulation superannuation plans.

16. Contingent liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2020 or 2019.

17. Related party transactions

Transactions with related parties

Key management personnel include the Directors and the Chief Executive Officer. All Directors are honorary and as such no payments are made to the Directors. Short term benefits received by key management personnel during the year were $219,069 (2019:$212,946). No other benefits were received or provided.

Transactions with related parties

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. The only transactions with related parties of Pathology Technology Australia Limited were membership subscription fees received from organisations in which the Directors are employed.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Director's Declaration

In the directors' opinion:

The attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

The attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Chair
Mr Sebastian D'Angelo

Treasurer
Mr Vito Trifilo

Dated: 26th August 2020

Nexia Australia

Independent Auditor's Report to the Members of Pathology Technology Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pathology Technology Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information in Pathology Technology Australia Limited's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.

Mark Boyle
Partner
Sydney

Nexia
Sydney
Partnership

Dated: 26th August 2020

Pathology Technology Australia Members

Abacus dx Pty Ltd

Abbott Australasia Pty Ltd

Agilent Technologies Australia Pty Ltd

Astral Scientific Pty Ltd

Australasian Medical and Scientific Ltd

Beckman Coulter

Becton Dickinson Pty Ltd

BGI

Binding Site Pty Ltd

bioMérieux Australia Pty Ltd

Bio-Rad Laboratories Pty Ltd

Cellmid Limited

Cepheid Holdings Pty Ltd

Diagnostica Stago Pty Ltd

DiaSorin Australia Pty Ltd

Eppendorf South Pacific Pty Ltd

ESL Biosciences Australia (2012) Pty Ltd

Genetic Signatures Limited

Grifols Australia Pty Ltd

Hologic (Australia) Pty Ltd

Illumina Australia Pty Ltd

Integrated Sciences Pty Ltd

Life Bioscience Pty Ltd

Lumos Diagnostics Holdings Pty Ltd

Merck Millipore Australia Pty Ltd

MP Biomedicals Australasia Pty Ltd

Myriad Genetics

Paragon Therapeutic Technologies Pty Ltd

PerkinElmer Pty Ltd

Pro-Health Asia Pacific Pty Ltd

QIAGEN Pty Ltd

Roche Diagnostics Australia Pty Ltd

Sciex

Siemens Healthcare Pty Ltd

SJ Alder Pty Ltd

SpeeDx Pty Ltd

Sure Screen

Sysmex Australia Pty Ltd

Tecan Australia Pty Ltd

ThermoFisher Scientific Australia Pty Ltd

Trajan Scientific Australia Pty Ltd

Werfen Australia Pty Ltd

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