

Annual Report 2022





**The tech
behind the test.**

CONTENTS

CEO & Chair's Report.....	2
Three Year Vision	6
Treasurer's Report.....	7
Financial Highlights.....	8
Technical & Regulatory Standing Committee	11
Finance, Audit & Risk Management Report	12
Market Development Committee	14
Marketing & Communications Committee	16
Code Administration Committee.....	18
Technology & Innovation Day	19
Know Pathology Know Healthcare Report.....	20
Director's Report	21
Auditor's Independence Declaration	27
Financial Statements	28
Director's Declaration	40
Auditor's Independence Report	41
Our Members.....	43

CEO & CHAIR'S REPORT

Dear Members

We have completed yet another successful year at Pathology Technology Australia. By most measures, as many as we can reasonably predict given the uncertain times we live in, we achieved what we set out to do. Membership is still growing, as are our relationships with key government departments and our stocks with the incoming federal government are sound.

This year the CEO and Chair reports have been combined into one, partly because they cover similar ground and partly in acknowledgement of the change in Chair during the year. David Basseal commenced the year as Chair but needed to step away when he moved companies. Sally Hickman was duly appointed Chair and has been in the role since May. This report is on behalf of Sally, David and our CEO Dean Whiting.

If we step back to the beginning of the year (Oct 2021), in many states we were still suffering COVID lockdowns and the vaccination roll out was well underway. Professor Mary-Louise McLaws and Dr Norman Swan presented at our Annual General Meeting. As an organisation we were pushing for greater access to COVID rapid antigen tests, a project we commenced 12 months prior.

Come the summer holidays and the Omicron variant presented the greatest challenge of the pandemic so far. Our members again stepped up to maximise supply of PCR and rapid tests nationwide.

As the challenges deepened with supply and access to tests, we lobbied both sides of federal politics to improve supply chain resilience and to increase the success rate for manufacturers commercialising devices locally. At a workshop of local member companies, we identified the "valley of death" which most companies fail to navigate successfully in Australia. The key barriers include preparing for the regulator, getting through MSAC and in accessing a suitable market funding model. Most members face barriers when commercialising IVDs in Australia. If we can solve the problem for local manufacturers, we solve it for everyone.

We produced a position paper on this topic and subsequently met with then Minister for Industry and Science Mr Angus Taylor. In March the Minister's Department announced a grant for MTP Connect and Pathology Technology Australia to investigate and produce an action plan based on our position paper. The action plan, now called the ADAPT project, is up and running and we expect to report back early 2023.

We have also met with Mr Ed Husic the new Minister for Industry and Innovation. Minister Husic is very aware of our organisation and what we do. He is also very supportive of the action plan.

Dean Whiting,
CEO



Sally Hickman,
Chair of the Board
of Directors



Our comprehensive market data survey of tests into the Australian market continues to be strongly supported by members. This year we added more nucleic acid-based tests, critical assays performed at the point of care, some microbiology tests and histopathology. These were not without their teething issues, but now we have almost all the market covered.

Membership numbers were up again in 2022, as was revenue, but most importantly, we are making tangible headway in being recognised for the role we play in enabling the high quality, accessible and affordable health ecosystem we have in Australia.

We again reviewed our strategic plan during the year. Pleasingly the major strategic pillars (below) are still largely appropriate, and our standing committees continue to drive actions to deliver the plan.

- Increase and expand collaborations with relevant groups to accelerate change (for better, more effective use of pathology technology).
- Identify new ways of working with key influencers.
- Challenge the status quo for existing funding models (suggest alternatives or improvements)
- Increase the perceived value of pathology technology with both consumers and policy makers.
- Expand local capability, specifically in manufacturing and supply chain.

With the environment changing so rapidly, we need to flex and adapt accordingly. We decided to increase our government and community advocacy work to take advantage of the notoriety we have gained through the pandemic. We will have a greater focus on producing consensus papers in partnership with consumer advocate groups. We will also increase our MSAC activities and look to drive up reimbursement funding for some tests. We will also focus on increased brand awareness through a clear communications program.

We have further strengthened our relationship with the TGA, to a level where we meet quarterly

With the environment changing so rapidly, we need to flex and adapt accordingly.

specifically on IVD topics and hold dedicated workshops with key staff as needed. The head of TGA, John Skerritt, and the Department Assistant Secretary, Tracey Duffy, attended our March Quarterly Meeting to present on the key issues they face.

It remains true that COVID has presented us with our greatest ever opportunity for change. The national security, economic and health risks identified during the pandemic give us new insights and focus. It has given us opportunities to access levels of government and bureaucracy not previously enjoyed. We now have profiles with key Commonwealth politicians, and state Health Departments, major business groups, unions, the RACGP, the Pharmacy Guild and with mainstream media groups.

As we look beyond 2022, there is a much bigger vision to pursue here; improving patient outcomes by improving access to the innovative technology our members deliver - technology vital to high quality, affordable and accessible healthcare for all Australians.

We are now leveraging our COVID experience and our improved access, to shine the spotlight on the value of our technology in:

- Molecular and companion diagnostics.
- Point of care testing, and possibly home testing.
- Digital pathology and software as a medical device.
- Challenging the status quo in funding pathology tests.

The barriers to success are still there, and we need to be persistent, diligent, fact-based, but above all, we need to be united.

As Chair and CEO of PTA we remain focused on delivering the greatest value we can for members. We are encouraged every day by the calls of support and great ideas coming from members. We are motivated by the prospect that we can take our place as an equal in the healthcare ecosystem. As we grow, we have appointed a new staff member to focus in on members and delivering member value. Mr Justin Meredith joined us in March to take on this role. Justin has now moved to head up our ADAPT project. In support of the team, we have appointed Ms Madeline O'Donoghue to a 1-year contract as our member engagement manager.

We can't do this without you. Likewise, our standing committees and our expert panels play a vital role. We are very grateful for the fine work our committees are doing, from the Finance and Risk Management to Technical and Regulatory Affairs, our Market Development and Marketing Communications committees. It is great to have your support and on behalf of the Board, we appreciate and thank you for the work you do.

We also want to acknowledge and thank Chami Gunasinghe for the fine support she provides to the CEO, the Board and to the membership of our organisation.

Many thanks also to the Board of Directors for their diligence in support of the CEO and stewardship of members best interests.

We look forward to your continued support, feedback and ideas as we - together - deliver the innovative products and services that make pathology possible in Australia.



Sally Hickman,
Chair of the Board of Directors



Dean Whiting,
CEO

...there is a much bigger vision to pursue here; improving patient outcomes by improving access to the innovative technology our members deliver...

PLANNING FOR THE FUTURE

THREE YEAR VISION

As we close in on 2023 we can reflect on our journey so far. The 2021 three year vision outlined the strategic milestones we set out and acted as a compass and key reference for the growth of PTA. Our foundational achievements thus far renew the confidence that we are tracking towards 2023 – our year of achievement, with positive momentum and robust and quantifiable intent.

BUILD

- Complete stakeholder mapping and create the key messages and value proposition for each stakeholder group
- Complete list of key influencers and provide tailored key messages for each
- Use compelling health economic and other data to inform policy and funding for pathology technology
- Develop a position paper on alternative on pathology funding in Australia
- Initiate policy discussion on new technology, solutions and software

2021

2023

2022



REALISE

- Establish and execute stakeholder influence program
- Train, cultivate and deploy key influencers
- Be an adviser to government in direct meeting, and via advisory committees & working groups
- Initiate policy discussion on new technology, solutions and software; actively promote local capability, specifically manufacturing and supply chain

ACHIEVE

- We are invited to provide information, data and trends to inform better policy and funding decisions
- Valued for the new technologies and solutions we bring the health economy
- We actively showcase our technology and continue to support PAA
- Key political and public service stakeholders articulate the value pathology technology delivers to healthcare and the health economy

TREASURER'S REPORT

I present the Pathology Technology Australia accounts for the financial year ending June 30, 2022. The accounts, audited by Nexia Audit Sydney, are included on this annual report and are available to members on our web site. This is my first report, having taken on the Treasurer role in June. For those of you who don't know me, I have a strong finance and audit background and currently engaged as Head of Finance and Operations at Roche Diagnostics Australia.

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 clear strategic planning, 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 increased investment in strategic projects with a greater focus on engaging government stakeholders in both state and commonwealth settings. Stronger social and traditional media presence will continue to be utilised to showcase how our technology delivers important healthcare outcomes.

I can report that our income for the year of \$753,504 was above budget (\$722,000). This achievement was due to a combination of membership, events and our consulting activities. Total income increased by \$136,854 on last year's revenue

Our expenditure for the year was \$758,800, under our budget of \$794,352 by \$35,552. Expenses were higher than budget due to Board approved expenditures, supported by higher than budgeted revenues. The new revenues enable increased spending on member value activities in government affairs, increased social and traditional media and on our website redevelopment. Travel expenses were lower than budgeted related to COVID restrictions. We maintained administrative expenses well below budget, saving \$35,000.

We completed the planned hire on our Member Engagement Manager, Justin Meredith. All associated salary and costs had been budgeted.

We were fortunate to be invited to partner with MTP Connect on a commonwealth government consulting project which will provide revenue to offset salary, travel and administrative costs. This revenue will occur quarterly through until March 2023.

Strategic Project expenses accounted for \$292,582 vs 2021 (of \$155,531), and included Pathology Awareness Australia membership, our market data project costs, increased government affairs activities and strategic social media projects mentioned previously.

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), Vito Trifilo, Sally Hickman, Olivia Ching (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 another 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.



Fabian Ehlen
Treasurer

\$292,585



SPENT ON STRATEGIC PROJECTS

FINANCIAL HIGHLIGHTS

- ✓ MYOB is fully reconciled with bank statements
- ✓ Expenses ran under budget with several notables:
 - Travel continued to be restricted
 - Meeting expenses down.
- ✓ Continued investment in new relationship activities, and;
- ✓ Public relations activity increased in line with strategic plan.

> Assets & Liabilities

ASSETS

\$508,232

CASH AT BANK



\$425,407

TOTAL LIABILITIES

\$124,368



Thus includes employee benefits and forward contracts



NET EQUITY SITS AT

\$386,096

DOWN

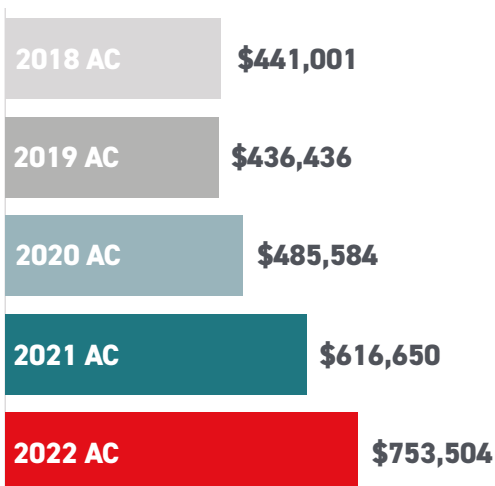


\$5,238

FROM 2021

Despite having expenses greater than revenue in 2022 we maintain a cashflow positive balance.

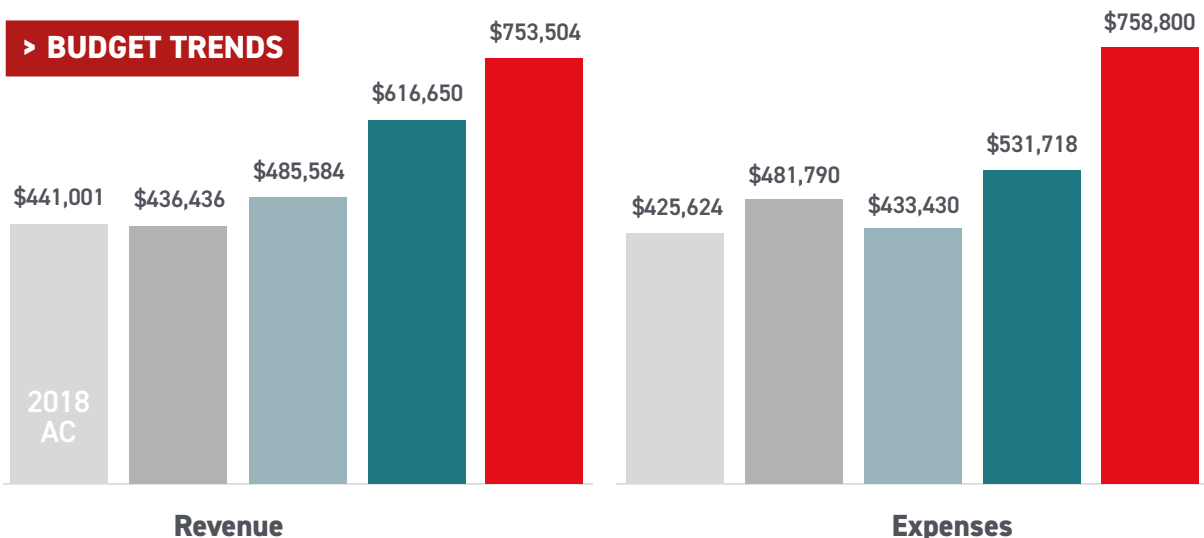
> REVENUE 2018 to 2022



> Assets & Liabilities

- We utilised funds not spent last FY (on travel and meetings) on new value add activities and projects.
- Despite having expenses greater than revenue in 2022 we maintain a cashflow positive balance.
- Employment expenses increase as a percentage of total expenses in the second half of 2022 we hired an assistant manager.

> BUDGET TRENDS



Most members
face barriers when
commercialising
IVDs in Australia.

**If we can solve
the problem for
local manufacturers,
we solve it for
everyone.**



PATHOLOGY
TECHNOLOGY
AUSTRALIA

TECHNICAL & REGULATORY STANDING COMMITTEE

The Technical and Regulatory Standing Committee focus on advancing Regulatory awareness and positively impacting Regulatory requirements.

Delegates of TARSC attended the quarterly TGA Regulatory and Technical Forum to raise awareness of the uniqueness of *in vitro* diagnostics. Following a long hiatus from Canberra and virtual forum calls our current delegates took the opportunity to visit the new TGA office in Fairbairn, ACT, while attending the June 2022 TGA RegTech.

We continued our direct PTA TARSC meetings with TGA IVD staff allowing TARSC members direct contact with TGA on critical topics. TARSC members participate in discussions on the Uniform Recall Procedure for Therapeutic Goods and replied to the TGA consultation on the Review of Adverse Events Exemptions. We are also participating in subsequent working groups. Our ongoing collaborative relationship with the TGA is apparent on other industry impacting topics such as SAMD, (Software as a Medical Device). Through 2022 and continuing, TARSC is assisting TGA with defining IVD software applicability, improving and clarifying the practical user guidance for Software as a Medical Device.

All TARSC members have had the opportunity to comment on IMDRF and TGA consultations over the last year and look forward to the Sydney based IMDRF meeting in September 2022

The repeal of Regulation 4.1 and amendment of Reg 5.3 was a major change in Regulations for the Conformity Assessment of Medical Device and IVDs. PTA and TGA have worked together to discuss these and other changes in the soon to be published guides on change requirements.

A key group of TARSC discuss biological import requirements with the Dept of Agriculture, Forestry and Fisheries (formally DAWE). Although our members hold Import Permits for well controlled biologicals, miss-alignment with other local and overseas regulators have caused delays accessing IVD and RUO stock. TARSC plan to increase participation in Biological Consultative Meetings and will invite DAFF to discuss the purpose and definitions referenced in the Permit Conditions to improve understanding.

With local regulatory advocacy, Australia's introduction of UDI, ongoing requirements for emerging variants for COVID tests, and the introduction of IVDR changing European regulations, our RA colleagues across the industry will be busy as ever moving into FY23.

PTA and TGA meet quarterly to discuss specific IVD related topics. This provides a focussed forum to raise and resolve IVD specific topics. In addition, Adj Prof John Skeritt and Department Assistant Secretary Tracey Duffy's recent Quarterly Executive Meeting presentation delivered a frank picture of the challenges faced by TGA and the benefits of collaborations with PTA.

> Technical and Regulatory Committee

- Melissa Robbins (Chair) – BD
- Aileen O'Connor (Chair) – Abbott Australia
- Stephanie Miles – Planet Innovation
- Ricky Widjaja- Cepheid
- Karen MacLeod – MP Biomedical
- Libby McDermott – ESL Bioscience
- Robyn Smyth – Abbott Australia
- Peter Traynor – ThermoFisher
- Marilyn Colussi – Roche
- Hoon Koh – Siemens Healthineers
- Neralie Coulston – Genetic Signatures
- Terrance Thiel – Brandwood CKC
- Alex Leung – Hologic
- Michael Gunter – Abbott Australia
- Elizabeth Freitas – Illumina
- Vicky Guppy – Stago
- Jessica Lai – Speedx
- Veronica Lewis – Merckgroup
- Dean Whiting – PTA
- Chami Gunasinghe – PTA
- Madeline O'Donoghue - PTA

FINANCE, AUDIT & RISK MANAGEMENT

The main focus of the Finance, Audit & Risk Management (FARM) Committee has been financial stewardship to ensure our members experience best 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:

- our financial viability is maintained through prudent budgeting, expense management and regular review of financial reports
- 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
- employees are aware of all applicable risks and familiar with the organisation's risk management procedures.

Of further focus in 2021 - 22, has been the Risk Management Register, which continues to be reviewed on a quarterly basis. This financial year we have revised downwards several of the risks we now see as being actively managed.

Members of the committee have changed during the year with David Basseal departing as Chair of PTA, Sally Hickman has taken over. Sally, for a short time, has been our Treasurer - the role now taken by me, Fabian Ehlen. I have strong industry finance and audit experience and was happy to join FARM when invited.

The other members of FARM are Dean Whiting (CEO), Sally Hickman, Vito Trifilo, Olivia Ching (CPA) and Chami Gunasinghe (Executive Support). We meet every four to six weeks to review the current financial and risk position of our organisation with the goal of financial

stability and diligent risk management. Olivia Ching has provided expert advice and guidance over the past year and we look forward to her role continuing.

Given our strong 2021-2022 year, due to increased income and diligent management of expenditure, we will carry a small cash deficit into 2023. Our goals for 2022 - 23 are to continue to grow our membership base and to judiciously deploy the surplus on strategic activities that drive member value. While we will continue to be vigilant on costs, we are projecting a (cashflow neutral) loss approximately equal to the surplus we carried over.

We have ensured the budget going forward maximises the success of our strategic plan, focussing on government affairs, market access and funding for new and existing tests.

The FARM Committee will continue vigilance on risk, risk assessment and financial security. A stronger focus for the new year will remain on continued implementation of our succession plans, diversifying our revenue base and maintaining member engagement.

Fabian Ehlen
Treasurer

> FARM Committee:

- Sally Hickman (Chair) – Werfen
- Fabian Ehlen – Roche
- Vito Trifilo – Tecan Australia
- Olivia Ching – Werfen
- Dean Whiting – PTA
- Chami Gunasinghe – PTA

BUILDING
RELATIONSHIPS.

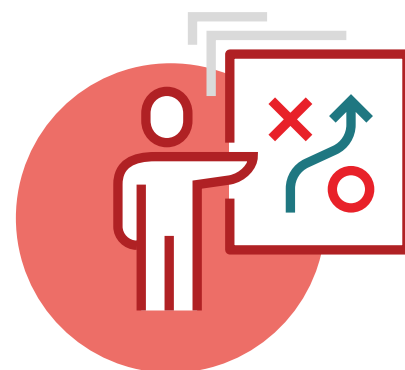
**CREATING
VALUE.**

MARKET 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 2021-22 the MDC met monthly.

MDC Objectives:

- 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.



> Projects underway led by the MDC

1. Health Economics Project: This project was initiated in 2020 with the aim of developing a process for collecting data from members to generate an overall picture of the size, growth and trends in the pathology market. Feedback from members was that this information is difficult to obtain, is often inaccurate and not specific to the Australian market.

In Phase 1 of this project, members provided data based on defined categories of products, and the consolidated market data was provided to members. The MDC sought feedback from members about the quality of the data and its utility in planning business strategy. The feedback obtained is that some further clarification of the categories would help tighten the results. To that end, the MDC worked on changes to the product categories in 2021 to help to drive consistency in the data provided by members.

At the same time, additional product categories were added as part of Phase 2, including Molecular, Microbiology, POCT, Histology and Blood banking. Results of this second phase of the project will be made available to members shortly, through our collaboration with 10,000 feet.

2. Leverage PTA members' expertise and experience to draft MSAC submissions.

This project continues the work that MDC members started in 2021. It seeks to establish a process for PTA to request suggestions from the membership, prioritise options, and work with external stakeholders to develop joint MSAC submissions for reimbursement of pathology tests. Ideally, PTA, and the MDC, would aim to have one submission presented to MSAC every two years.

3. Raise awareness to the value of technology to Pathology project. As reported in the Annual report 2021, the MDC, with the support of the MCC, London Agency and the board held an event at Parliament house in March 2021 to enhance the awareness of parliamentarians and other government officials to the contribution that pathology technology companies make to the healthcare system. The event was a great success, culminating with the then Minister for Health, the Hon Greg Hunt MP, announcing that the rebate for HbA1c testing at point-of-care had been approved. Several meetings followed and has resulted in PTA having a much better overall relationships with the federal government.

To build on this success, the MDC has been working on a second event at Parliament House, to be held on the 7th of Sept 2022. The key messages for this year's event are:

- *Expanding Australia's use of point of care technology.*
- *Enhancing the role of pathology technology in genomics.*
- *Promoting Australia's sovereign capability.*

4. Increase and expand relationships between PTA and key external stakeholders. In 2021, PTA held a strategy development workshop with members to review and refine the five year strategy, and identify critical elements to be added. One of the actions from this meeting was for PTA to increase and develop new relationships with key stakeholders with a view to accelerating change and providing better market access to members.

The MDC has adopted a new project to work on this goal and has settled on a group of stakeholders to work with initially, including Diabetes Australia, Rare Cancers Australia, the Heart Foundation, Australasian Society for HIV, Viral Hepatitis and Sexual Health Medicine (ASHM) and others.

The team will now work on a plan for each of these organisations to start developing a mutually beneficial relationship

5. Advocacy for national sovereignty for Pathology technology development and access. A second project to come out of the annual PTA Strategy workshop was to develop an advocacy program to position and expand local R&D capability, specifically in manufacturing and supply chain of pathology technology. To that end, members of the committee have been collecting data from local manufacturers around their business to understand some of the challenges they face, particularly in commercializing their IP and in the scaling up of their manufacturing process.

> Future projects

2022–2023 will focus on progressing the projects above. In addition, the MDC will also focus on the following project in the coming year:

- Organise a Technology showcase event. This concept is for PTA to organise its own showcase event to promote pathology innovation, outside of the usual conferences attended by members. This would be a unique opportunity for the industry to target its audience, deliver its own messages and promote the investment that members make to technology innovation.



> Marketing Development Committee:

- Nicolas Latouche (Chair) – Abbott Australia
- John Emmerson – London Agency
- Mark Volling – Abbott Australia
- Jackson Jones – Genetic Signature
- Benjamin Smith – Roche Australia
- Natalie Shorey – Stago
- Luke Rynehart – Roche Australia
- Jennifer Devereaux – Abbott Australia
- Dean Whiting – PTA
- Chami Gunasinghe – PTA
- Madeline O'Donoghue – PTA
- Justin Meredith – PTA

MARKETING & COMMUNICATIONS COMMITTEE

The Marketing & Communications Committee (MCC) is responsible for developing and implementing an integrated communications strategy that promotes the value of PTA to our members, the government, the community and other key stakeholders. The MCC provides strategic advice on the delivery of promotional campaigns, materials and events that are designed to increase awareness of the value that we bring.

FY2021 and 2022 has allowed us to consolidate the opportunity afforded to us during COVID to put PTA on the political and media map, by keeping PTA firmly in the spotlight in the last 12 months. The communications committee has supported all efforts to increase the profile of our industry to the government, our members and to the wider community.

One of the finest achievements of the MCC this year was the launch of a new PTA website. The new website features a cleaner and more modern look, ensuring that our landing page look and feel promotes our industry's high tech capability and speaks to who we are and what we represent. Access to pages within the website is much more streamlined enhancing the experience for visitors to the site. The website will continue to undergo changes as we improve the member resource area. I would like to thank Chami Gunasinghe for her incredible contribution to the development of the website.

Another key achievement was engaging members in our executive breakfast sessions. With the lure of some fascinating speakers addressing hot topics member attendance at these meetings has been high.

Looking forward to FY22 - 23 we will be focussing on some of the following key activities:

- supporting the Market Development Committee in the successful execution of another successful Canberra Day. The MCC will be involved at all levels to ensure we continue to keep our message front and centre with the new government.
- the development of an integrated communications plan to ensure we are getting our key messages to the right stakeholders at the right time and in the right communication mode. Our communication plan will support PTA's 3 year strategic plan and will commence rolling out towards the end of 2022.

I have the pleasure of working with all my fellow committee members and I wish to thank the participating member companies and staff of London Agency and for their involvement and participation in PTA events and activities.

Jenny Carson
Chair, Marketing & Communications

► Marketing & Communications Committee:

- Jenny Carson (chair) – Siemens Healthineers
- Antoniette Violo – Perkin Elmer
- Cate McGavin – Roche
- Vicki Neal – Abbott
- Chami Gunasinghe – EA PTA
- Dean Whiting – CEO PTA
- John Emmerson, Mike Dolan and Hugo Twopenny – London Agency
- Michael Wawrzyniak – Becton Dickinson
- Tony Bhalla – Perkin Elmer
- Madeline O'Donoghue – PTA
- Justin Meredith – PTA

2022 key achievements

→ Website launch

Modernised aesthetic / Streamlined user experience

Clear and concise messaging / Extensive member resource area planned

→ Quaterly Executive meetings

Engaging Members / Insightful guest speakers / Hot Topics & key issues



→ Increasing the profile of our industry to the government, our members and to the wider community

CODE ADMINISTRATION COMMITTEE REPORT

There have been no Code of Practice violations reported during period July 1 2021 to June 30 2022.

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.

This year saw a major revision of the Code to include a Vendor Credentialing chapter, as well as updates to reflect the changing nature of our sector. During this year we also saw several enquiries from members on activities permitted under the Code.

Our Code of Practice was a main pillar of this organisation when we first launched, 13 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.

Our Code of Conduct Commissioner, Mr David Harrison, remains in office and available for any discussion required.

Our Code of Conduct Commissioner is responsible for:

- 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.

As individual members and as part of our organizational activities we remain ever vigilant in our observation of our code and commitment to ethical and compliant business practices.



TECHNOLOGY & INNOVATION DAY



1. PTA CEO Dean Whiting, and Steve Georganis MP, Member for Adelaide.
2. Senator Tim Ayres, Assistant Minister for Trade and Manufacturing, opening the 2022 Innovation Showcase.
3. PTA members Allison Rossiter (Roche), and Karen MacLeod (MP Biomedicals), and Dean Whiting, CEO.
4. Jerome Laxale, MP, Member for Bennelong.
5. Allison Rossiter, Managing Director/ President Roche Australia.
6. Sally Hickman, PTA Chair; Colman Taylor, Owner/Chief Vision Officer (HTANALYSTS); Simon Giuliano, Commercial Lead/Sales Director (Illumina); Krystal Barter, Founder (Humanise Health)
7. Examples from our members of technology for testing at the point of care.

For the second year running, we brought together the voices of healthcare providers, patient advocates, health economists, and industry groups in Canberra to create a strong representation for policy reform.

Compromising two panel discussions, and lunchtime symposia, it was a stellar cast of speakers. The Hon, Tim Ayers, Assistant Minister for Trade and Manufacturing opened the meeting with a very positive speech. He openly stated the government's support for PTA and recognised the important role we play - citing the alignment of the new government agenda to secure supply of critical pathology technology and support for the development of new technology to increase resilience and valuable complexity within the Australian economy.

Over a dozen MPs and parliamentary staff visited most notably the Hon. Ed Husic, Minister for Industry and Science and Dr Mike Freeland, Chair on the standing committee for Health, both of whom spend a generous amount of time with us.

The panel discussions and presentations made a strong case for the unsustainable nature of the current healthcare system. Dean and the rest of PTA team and committees are targeting follow-up with key stakeholders to continue the push for more strategic and funded use of technology.

KNOW PATHOLOGY KNOW HEALTHCARE



1. SBS news anchor Anton Enus
2. Pathologist Dr Caitlin Keighly
3. Professor Dahlstom



2021 will be remembered for beginning with weeks of zero COVID cases, contrasted by abrupt and often long state-wide lockdowns, only to finish the year with the hasty loosening of restrictions resulting in tens of thousands of Australians testing positive daily for a new variant over the Christmas break.

Case numbers that had been unthinkable just a few months previously, became commonplace.

Against this tumultuous landscape, pathology teams continued to demonstrate their incredible contribution to both healthcare and society. Whether they be on the frontline, in the laboratory, or working tirelessly in the IVD sector, the pandemic has been a stark reminder of the diligence of those involved, and a case study in the value of pathology.

An enduring challenge of the last few years has been that whilst COVID is front of mind for us all, there is a growing risk of large swathes of the population neglecting their routine health, and conditions that might previously have been prevented, are detected later, or overlooked.

Medical groups and health consumer organisations fear an avalanche in missed cancer diagnoses and other conditions whose long shadow could dwarf the impact of COVID.

Pathology Awareness Australia (PAA) has prioritised communicating with Australians the importance of continuing to see a GP and pursuing all pathology tests requested.

PAA Ambassadors appeared across TV and newsprint reminding the importance of pathology and explaining its role in testing for cervical cancer, melanoma, and bowel cancer, as well as women in the pathology workforce.

A particular area of focus has been encouraging participation in the National Cervical Screening Program – an area of screening that saw a drop of forty percent compared to pre pandemic, well below the levels predicted by public health experts.

In the area of bowel cancer screening, SBS news anchor Anton Enus visited a Sydney laboratory with PAA team including Dean Whiting, to learn more about one of the most convenient healthcare interactions that could save your life. This initiative has since been actively promoted by the Department of Health.

The connection between pathology and the wider community has been explained via a Thank You Pathology television advert broadcast free of charge more than two thousand times across the Seven and Nine Networks, plus SBS and ABC iView.

As COVID fades, PAA continues to engage the public, doctors, and politicians on the role of pathology in Australian healthcare.

DIRECTOR'S REPORT

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

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 Vito Trifilo	Appointed 17 September 2015 to present
Ms Antionette Violo	Appointed 1 December 2017 to present
Ms Karen Macleod	Appointed 1 December 2017 to present
Ms Sally Hickman (Chair)	Appointed 21 February 2018 to present
Ms Jennifer Carson	Appointed 8 October 2020 to present
Mr Mark Volling (Vice Chair)	Appointed 8 October 2020 to present
Mr Colin Denver	Appointed 22 July 2021 to present
Mr Fabian Ehlen (Treasurer)	Appointed 19 May 2022 to present
Mr Michael Wawrzyniak	Appointed 19 May 2022 to present
Mr David Basseal	Appointed 8 October 2020 to 19 May 2022
Mr Murray Dunning	Appointed 22 July 2021 to 19 May 2022
Mr Tony Feneziani	Appointed 28 February 2018 to 27 August 2021
Mr Nicolas Latouche	Appointed 8 October 2020 to 27 August 2021

Company secretary

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

Objectives

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
- 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.

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
- 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.

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, PPA 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.

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.

Business review

Operating results

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

The net deficit of the Company for the financial year ended 30 June 2022 amounted to \$5,238 (2021: \$113,563 surplus).

Dividends

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

Significant changes in state of affairs

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

Information on directors

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

Name: Vito Trifilo

Title: General Manager, Tecan Australia

Experience and expertise: Vito has 30 years experience in the Life Science and in vitro diagnostic businesses in the Australian and New Zealand markets. He has held business development and sales management roles for over 10 years and was an early company representative with AMRAD Pharmacia Biotech during the start-up phase.

Since joining Tecan Australia as General Manager in 2013, a role with P&L, Oceania sales, operations, marketing, legal and regulatory responsibilities. Tecan is a leading global provider of laboratory instruments and solutions (strongly automation focussed) in biopharmaceuticals, forensics and clinical diagnostics.

Name: Mark Volling (Vice Chair)

Title: Managing Director for Abbott Rapid Diagnostics in Australia & New Zealand

Experience and expertise: Mark has over 30 years experience within the Australian IVD industry including senior roles within global IVD companies, local manufacturing/export and distributor only organisations. Previous to Abbott, he was the General Manager for Alere/Inverness Medical in Australia and New Zealand and was the local lead in Inverness Medical's acquisition of Panbio Ltd which closed in January 2008. Mark possesses an Associate Diploma in Clinical Laboratory Techniques (QIT), Bachelor Business in Finance/Accounting (USQ), Graduate Certificate in Management (USQ) and a Masters of Technology Management (UQ).

Name: Sally Hickman (Chair)

Title: General Manager, Werfen Australia & NZ

Experience and expertise: 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.

Name: Karen Macleod

Title: Director and Country Manager, MP Biomedicals

Experience and expertise: Karen's 30-year career 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.

Name: Antionette Violo

Title: Regional Sales Director, Diagnostics, PerkinElmer

Experience and expertise: Antionette's association with the life sciences, human health and diagnostics industries has extended for over 25 years across the commercial and academic sectors. She is currently the Regional Sales Director for PerkinElmer's diagnostic's business in the Applied Genomics division.

Antionette's commercial career commenced when she was approached to start the Life Sciences Division of PerkinElmer in Australia. Antionette has progressed within the organisation and has managed divisions and many staff across Australia, New Zealand and Asia for over 15 years. A significant achievement has been to partner PerkinElmer in the commercialisation of an Australian developed immunoassay kit (TGR Biosciences).

Antionette was approached to join the Diagnostics Division 2 years ago to develop the Applied Genomics division within the Asia Pacific region. This has been an exciting challenge and a personal interest in observing the impact that translational medicine has on human health outcomes.

Name: Jenny Carson

Title: Siemens Healthineers

Experience and expertise: Jenny has been part of the pathology and IVD industry for 35 years and is passionate about the industry that she has grown up and built a career in. Jenny commenced her traineeship as a medical scientist in 1985 and advanced to Senior Scientific Officer before leaving the pathology laboratory industry to join the IVD industry in 1998.

Throughout her 25-year IVD career Jenny has held various roles including Applications Specialist, Product Manager, Regional Sales Manager, Business Unit Manager and now as General Manager, Diagnostics Division. Jenny has held several senior leadership positions managing both large and small teams, she has been responsible for complex planning and negotiations and has strong communication and interpersonal skills. Jenny has a love of strategic marketing, understanding markets and market development and it is her strengths in this area that adds real value to PTA.

Name: Colin Denver

Title: Chief Executive Officer

Experience and expertise: Since 2003, Colin has been in charge of growing Life Science/ Diagnostics businesses in the Australian market. His first experience came with Bioline/Meridian Bioscience and provided him with an introduction into the vibrant and diverse Australian Molecular Research and Diagnostics ecosystem.

As a CEO of an Australian Diagnostic technology developer that is succeeding on a global scale, Colin can provide valuable insights into the needs of the Australian biotechnology sector from an industry body and offer creative approaches to gaining greater visibility for Pathology Technology Australia leveraging the experiences gained with launching SpeedX as Molecular Diagnostic test manufacturer.

Name: Fabian Ehlen (Treasurer)

Title: Head of Finance and Operations, Roche Diagnostics Australia

Experience and expertise: Fabian has a strong finance background and is a CPA and holds an MBA. He is currently Head of Finance and Operations at Roche Diagnostics Australia. Fabian brings a background and skills in corporate audit for 2 of the world's largest consulting firms. Fabian was educated in Germany but has lived and worked in Europe, the USA, Latin America and Australia. Fabian is a keen sportsperson with active involvement in football, tennis, golf and snowboarding.

Name: Michael Wawrzyniak

Title: Business Director, BD Life Sciences

Experience and expertise: Michael is an experienced business leader with more than 20 years' experience in healthcare focused on strategy, business development, and execution. He is passionate about the role of pathology in healthcare and supporting industry and patient outcomes – member of PTA Market Communication Committee since 2019. Michael has a deep industry experience working across ANZ and SEA with an outstanding record of building business, transforming performance, and exceeding expectations. Michael has a depth operational expertise plus high-level communication, analytical and negotiation skills.

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.

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.

Environmental regulations

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

Indemnification and insurance of officers and auditors

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 2022. 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.

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.

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).

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

Full Board

	Attended	Held
Mr David Basseal _____	8	8
Mr Vito Trifilo _____	10	10
Mr Mark Volling _____	8	10
Ms Sally Hickman _____	8	10
Ms Antoniette Violo _____	9	10
Ms Karen Mcleod _____	7	10
Ms Jenny Carson _____	9	10
Mr Colin Denver _____	9	10
Mr Murray Dunning _____	4	8
Mr Michael Wawrzyniak _____	2	2
Mr Fabian Ehlen (Treasurer) _____	1	2

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

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.

Director's report – 30 June 2022

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



Ms Sally Hickman,
Chair of the Board of Directors



Mr Fabian Ehlen
Treasurer

20th October 2022



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To the Board of Directors of Pathology Technology Australia

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

As lead audit director for the audit of the financial statements of Pathology Technology Australia Limited for the financial year ended 30 June 2022, 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.

Yours sincerely

A stylized, handwritten signature in black ink, appearing to read 'Nexia'.

Nexia Sydney Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Mark Boyle'.

Mark Boyle
Director

Sydney

Dated: 20 October 2022

FINANCIAL STATEMENTS

Statement of profit or loss and other comprehensive income	31
Statement of financial position	32
Statement of changes in equity	33
Statement of cash flows.....	34
Notes to the financial statements	35

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 20th October 2022. The directors have the power to amend and reissue the financial statements.

Pathology Technology Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	753,504	616,650
Government grants	4	-	26,343
Interest revenue		58	2,288
Expenses			
Employee benefits expense	5	(352,272)	(290,837)
Depreciation and amortisation expense		(1,330)	(3,154)
Administrative expense		(405,198)	(237,727)
(Deficit)/surplus before income tax expense		(5,238)	113,563
Income tax expense		-	-
(Deficit)/surplus after income tax expense for the year	14	(5,238)	113,563
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(5,238)</u>	<u>113,563</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Pathology Technology Australia Limited
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	425,417	543,216
Trade and other receivables	7	81,874	3,960
Other	8	941	52,183
Total current assets		<u>508,232</u>	<u>599,359</u>
Non-current assets			
Plant and equipment	9	1,331	2,661
Total non-current assets		<u>1,331</u>	<u>2,661</u>
Total assets		<u>509,563</u>	<u>602,020</u>
Liabilities			
Current liabilities			
Trade and other payables	10	26,636	27,792
Employee benefits	11	33,835	29,387
Contract liabilities	12	63,897	149,235
Total current liabilities		<u>124,368</u>	<u>206,414</u>
Non-current liabilities			
Employee benefits	13	2,099	7,272
Total non-current liabilities		<u>2,099</u>	<u>7,272</u>
Total liabilities		<u>126,467</u>	<u>213,686</u>
Net assets		<u><u>383,096</u></u>	<u><u>388,334</u></u>
Equity			
Retained surpluses	14	<u>383,096</u>	<u>388,334</u>
Total equity		<u><u>383,096</u></u>	<u><u>388,334</u></u>

*The above statement of financial position should be read in conjunction
with the accompanying notes*

Pathology Technology Australia Limited
Statement of changes in equity
For the year ended 30 June 2022

	Retained surplus \$	Total equity \$
Balance at 1 July 2020	274,771	274,771
Surplus after income tax expense for the year	113,563	113,563
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>113,563</u>	<u>113,563</u>
Balance at 30 June 2021	<u>388,334</u>	<u>388,334</u>
	Retained surplus \$	Total equity \$
Balance at 1 July 2021	388,334	388,334
Deficit after income tax expense for the year	(5,238)	(5,238)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(5,238)</u>	<u>(5,238)</u>
Balance at 30 June 2022	<u>383,096</u>	<u>383,096</u>

*The above statement of changes in equity should be read in conjunction
with the accompanying notes*

Pathology Technology Australia Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		664,181	852,154
Payments to suppliers (inclusive of GST)		(782,038)	(648,052)
		(117,857)	204,102
Interest received		58	2,455
Government grants		-	26,343
Net cash (used in)/from operating activities		(117,799)	232,900
Cash flows from investing activities			
Net cash from investing activities		-	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(117,799)	232,900
Cash and cash equivalents at the beginning of the financial year		543,216	310,316
Cash and cash equivalents at the end of the financial year	6	<u>425,417</u>	<u>543,216</u>

*The above statement of cash flows should be read in conjunction
with the accompanying notes*

Pathology Technology Australia Limited
Notes to the financial statements
30 June 2022

Note 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.

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 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 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.

Membership

Membership revenue is recognised over the period of the membership.

Pathology Technology Australia Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

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.

Other revenue

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

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

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.

A 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.

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.

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:

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.

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.

Pathology Technology Australia Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

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.

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.

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. 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.

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.

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.

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.

Pathology Technology Australia Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Income tax

Member income of the company is 'mutual' income as defined in tax law, whereby income derived from member sources is tax exempt. Taxable income includes income derived from non-member sources after deducting expenditure incurred in deriving that income

Note 2. Critical accounting judgements, estimates and assumptions

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.

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.

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.

Note 3. Revenue

	2022	2021
	\$	\$
<i>Revenue from contracts with customers</i>		
Membership revenue	707,421	604,650
<i>Other revenue</i>		
Other revenue	46,083	12,000
Revenue	<u>753,504</u>	<u>616,650</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2022	2021
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	-	12,000
Services transferred over time	753,504	604,650
	<u>753,504</u>	<u>616,650</u>

Pathology Technology Australia Limited
Notes to the financial statements
30 June 2022

Note 4. Government grants

	2022	2021
	\$	\$
Government stimulus package	<u>-</u>	<u>26,343</u>

Note 5. Employee benefits expense

	2022	2021
	\$	\$
Wages and salaries	320,579	258,965
Superannuation	31,938	24,488
Provision movements	(245)	7,384
	<u>352,272</u>	<u>290,837</u>

Note 6. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	105,257	223,056
Cash on deposit	320,160	320,160
	<u>425,417</u>	<u>543,216</u>

Note 7. Current assets - trade and other receivables

	2022	2021
	\$	\$
Trade and other receivables	68,325	3,960
GST receivable	13,549	-
	<u>81,874</u>	<u>3,960</u>

Note 8. Current assets - other

	2022	2021
	\$	\$
Prepayments	<u>941</u>	<u>52,183</u>

Note 9. Non-current assets - plant and equipment

	2022	2021
	\$	\$
Computer equipment - at cost	8,501	8,501
Less: Accumulated depreciation	(7,170)	(5,840)
	<u>1,331</u>	<u>2,661</u>

Pathology Technology Australia Limited
Notes to the financial statements
30 June 2022

Note 9. Non-current assets - plant and equipment (continued)

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 2021	2,661	2,661
Depreciation expense	(1,330)	(1,330)
Balance at 30 June 2022	<u>1,331</u>	<u>1,331</u>

Note 10. Current liabilities - trade and other payables

	2022 \$	2021 \$
Other payables	10,672	6,220
GST collected	-	3,551
Accrued expenses	15,964	18,021
	<u>26,636</u>	<u>27,792</u>

Note 11. Current liabilities - employee benefits

	2022 \$	2021 \$
Annual leave	<u>33,835</u>	<u>29,387</u>

Note 12. Current liabilities - contract liabilities

	2022 \$	2021 \$
Revenue received in advance	<u>63,897</u>	<u>149,235</u>

Note 13. Non-current liabilities - employee benefits

	2022 \$	2021 \$
Long service leave	<u>2,099</u>	<u>7,272</u>

Note 14. Equity - retained surpluses

	2022 \$	2021 \$
Retained surpluses at the beginning of the financial year	388,334	274,771
(Deficit)/surplus after income tax expense for the year	<u>(5,238)</u>	<u>113,563</u>
Retained surpluses at the end of the financial year	<u>383,096</u>	<u>388,334</u>

Pathology Technology Australia Limited
Notes to the financial statements
30 June 2022

Note 15. Superannuation commitments

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

Note 16. Contingent liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2022 or 2021.

Note 17. Commitments

In March 2022, the Company signed an agreement with the London Agency committing to spend a sum of \$147,765 (excluding GST) on services related to public relations, social media and advertising for the period 10 March 2022 to 31 December 2022.

Note 18. 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 \$256,300 (2021: \$235,938). 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.

Note 19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 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.

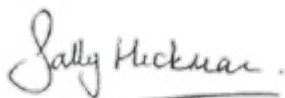
Pathology Technology Australia Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, 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 2022 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



Ms Sally Hickman
Chair

20th October 2022



Mr Fabian Ehlen
Treasurer

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pathology Technology Australia (the Company), which comprises the statement of financial position as at 30 June 2022, 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 2022 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures 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 & 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.

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 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_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Nexia Sydney Audit Pty Ltd



Mark Boyle

Director

Dated on this 20th day of October 2022

OUR MEMBERS

Company

Abacus dx Pty Ltd
 Abbott Australasia Pty Ltd
 Agilent Technologies Australia Pty Ltd
 Aim Lab Automation Technologies
 Anteotech Ltd
 Becton Dickinson Pty Ltd
 Beckman Coulter
 BGI
 Binding Site Pty Ltd
 Bioclect
 bioMérieux Australia Pty Ltd
 Bio-Rad Laboratories Pty Ltd
 Cepheid Holdings Pty Ltd
 Diagnostica Stago Pty Ltd
 DiaSorin Australia Pty Ltd
 ESL Biosciences Australia (2012) Pty Ltd
 Genetic Signatures Limited
 Grifols Australia Pty Ltd
 Hologic (Australia) Pty Ltd
 Hough Pharma
 Illumina Australia Pty Ltd
 Integrated Sciences Pty Ltd
 Leica Microsystems
 Life Bioscience Pty Ltd
 Lumos Diagnostics Holdings Pty Ltd
 Merck Millipore Australia Pty Ltd
 Minomic International
 MP Biomedicals Australasia Pty Ltd
 Myriad Genetics
 Nutromics Operations Pty Ltd

Paragon Therapeutic Technologies Pty Ltd
 PerkinElmer Pty Ltd
 Pro-Health Asia Pacific Pty Ltd
 QIAGEN Pty Ltd
 Radiometer
 Rhinomed
 Roche Diagnostics Australia Pty Ltd
 Siemens Healthcare Pty Ltd
 Specialty Diagnostics
 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

Associate Members

London Agency
 Brandwood CKC, now Pharmalex
 Smartways Logistics
 SCAN Global



Vale

Dr Wendy-Jane Morrow

It is with great sadness we share news of the passing of a much-loved former colleague Wendy Jane Morrow.

Wendy-Jane served as Pathology Technology Australia's CEO from 2015-2019, taking up the reins from the founder Dr Peter Harman. Wendy-Jane's stewardship of the organisation occurred during a challenging time for the industry, which faced multiple Government reviews. She oversaw numerous submissions to Government and served as a vocal advocate for the IVD sector on several committees. During her time at the helm, there was a focus on expanding relationships with crucial stakeholders at the TGA and Department of Health, among many others. As the organisation sought to develop a greater public facing focus, Wendy-Jane oversaw the rebranding from IVD Australia to its current identity. Her contribution to the sector was further extended through her role on the board of Pathology Awareness Australia for many years.

With a great passion for the arts, in her own time Wendy-Jane was a keen theatre goer, an enthusiast for sculpture and modern art, as well as a keen gardener.

She will be remembered for her warmth and good humour and will be mourned by the sector.

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www.pathologytechnology.org.au

 #WeArePTA

