

ANNUAL REPORT 2009



Victorian Cytology Service

OUR VISION IS TO MINIMISE
SUFFERING IN WOMEN DUE
TO DISEASES PREVENTABLE
BY SCREENING AND OTHER
PUBLIC HEALTH INITIATIVES.

OUR MISSION IS TO
USE OUR EXPERTISE IN
CERVICAL SCREENING TO
SUPPORT EVIDENCE BASED
SCREENING, DIAGNOSTIC
AND DISEASE PREVENTION
PROGRAMS IN WOMEN'S
HEALTH THROUGH THE
DELIVERY OF LABORATORY
AND REGISTRY SERVICES.

Victorian Cytology Service Incorporated
ABN 35 430 554 780



Victorian Cytology Service



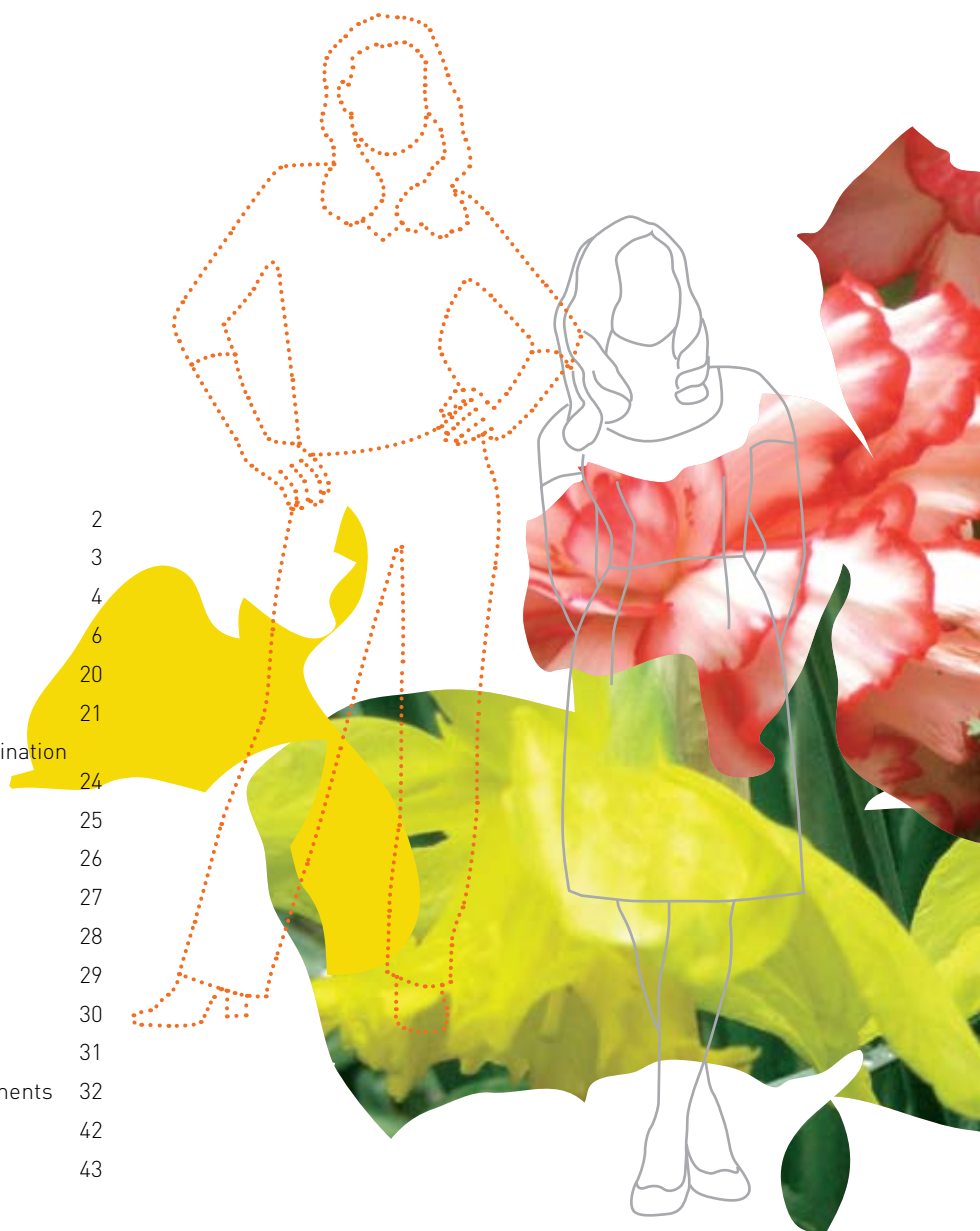
National HPV Vaccination
Program Register



Victorian Cervical Cytology
Registry

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ORGANISATIONAL OVERVIEW

ABOUT VICTORIAN CYTOLOGY SERVICE INCORPORATED (VCS INC.)

Victorian Cytology Service Incorporated (VCS Inc.) is a Health Promotion Charity whose activities centre on the provision of laboratory testing and registry services for the Cervical Screening Program. Established in 1965 as a joint initiative between the Victorian State Government and the Cancer Council, the organisation has a proud history in helping to reduce the incidence of cervical cancer in Victoria.

CORE LABORATORY SERVICE

The organisation's core laboratory service is the reporting of around 300,000 conventional Pap smears per annum, representing approximately 50% of the total number of Pap smears taken in Victoria and making it the largest single laboratory reporting Pap tests in Australia. Commonwealth and State funding ensures that the Pap screening service is provided free of charge to women.

The organisation also provides a number of important complementary tests – Liquid Based Cytology, Histology, HPV (Human Papillomavirus) and Chlamydia testing. Revenue generated through these initiatives is invested back into the organisation through its programs and its staff.

THE VICTORIAN CERVICAL CYTOLOGY REGISTRY (VCCR)

VCS Inc. auspices the Victorian Cervical Cytology Registry (VCCR), which works closely with VCS and other laboratories. VCCR is a key component of the cervical screening program in Victoria and records the results of almost all the Pap smears performed in Victoria. VCCR administers a comprehensive Reminder and Follow-up program for each Victorian woman who has her Pap smear result listed with the register. VCCR contains a linked record for each woman containing details of her Pap smear and subsequent investigations. This database is used to remind women when their Pap test is overdue and to remind women and doctors when the follow-up of abnormal results is apparently overdue. VCCR also provides history links for laboratories reporting Pap smears and is responsible for production of statistical information on cervical screening.

THE NATIONAL HUMAN PAPILLOMAVIRUS VACCINATION PROGRAM REGISTER (NHVPR)

The National Human Papillomavirus Vaccination Program Register (NHVPR) was established in early 2008 to support the National HPV Vaccination Program, and is fully funded by the Commonwealth Government. The NHVPR plays an essential role in monitoring and evaluating the program by registering immunisation providers, generating individual consumer immunisation records, producing follow ups and reminders, making notification payments conducting research and producing statistical information on the National HPV Vaccination Program.

RESEARCH, EDUCATION & TRAINING

VCS Inc's activities extend beyond the provision of laboratory and registry services. It plays a key role as a centre for research and teaching and provides advice to state and federal governments to assist with policy formulation. Research and education activities include:

- maintaining a teaching and training centre for diagnostic cytology, with links to major teaching hospitals and universities. Staff at VCS Inc. are involved in the education and training of scientific and medical undergraduates, scientists, pathology registrars and pathologists
- conducting and supporting scientific research including investigations into new technologies and the epidemiology of cervical cancer, leading to publication of findings in international scientific literature
- providing educational sessions for medical practitioners and health professionals to assist them in refining their skills and improving the way Pap tests are performed

FUNDING

VCS Inc. has a multimillion-dollar budget with the majority of funds coming from the Commonwealth Government and the Victorian State Government. It has strong relationships with the Department of Health (Vic.) and the Department of Health and Ageing (Cth). The laboratory and support services employ more than 100 staff in a variety of roles, including, administration, clerical, scientific, medical, courier, information technology and customer service staff. The Registries employs a further 26 staff in a variety of roles.

PRESIDENT'S REPORT



VCS Inc. has continued to deliver excellence in its core laboratory services encompassing cervical cytology, histology, HPV and Chlamydia testing as well as its cervical cancer registry services. Rigorous quality assurance programs across the organisation have ensured that VCS continues to meet the high standards expected by management, Medical Practitioners and the women of Victoria.

VCS Inc. is committed to meeting the requirements of the Department of Health (Vic) and the Department of Health and Ageing (Cth), ensuring that we improve women's health outcomes, particularly in the areas of cervical cancer prevention and sexual and reproductive health.

The development of a vaccine against the Human Papillomavirus (HPV) has opened an era of change in cervical screening. In 2007 the Commonwealth Government initiated a program to protect girls and young women against four strains of HPV, two of which account for up to 70% of cervical cancer cases in this country. In February 2008 VCS Inc. entered into a contract with the Commonwealth of Australia through the Department of Health and Ageing to establish and manage the National HPV Program Vaccination Register (NHVPR). The primary function of this register is to support the implementation of the National HPV Vaccination Program. Functions of the NHVPR include registering immunisation providers, generating individual consumer immunisation records, producing follow up reminders and making GP notification payments. The NHVPR conducts research and produces statistical information on the vaccination program which will direct screening programs for the country in the coming years. The register is now fully operational and it has taken an exceptional amount of work by staff and the executive team of VCS to reach this point.

VCS Inc. in association with the National Childhood Immunisation Registry Service (NCIRS) hosted a conference "Preventing Cervical Cancer 2009; Integrating Screening and Vaccination" in Melbourne from the 18th – 20 March 2009. This very successful conference brought together key staff from all aspects of the Cervical Screening Program. Associate Professor Marion Saville was instrumental in the concept of this conference and ensuring its success.

Significant emphasis has been placed on the development of risk management strategies within the organisation. In February 2009 a framework for the assessment of risk within VCS Inc. was established and implemented. This program assists the organisation in managing risks by providing a systematic process to identify, mitigate and control factors that affect its operations.

A strategic plan for 2009 -2011 has been developed in accordance with the new VCS vision *"To play a leading role in the reduction of the impact of cervical pre cancer, cancer and Chlamydia infection in Australians through the provision of laboratory and registry services, program evaluation, education and research"*. This plan will pave the way for the organisation to continue its leadership role in the next phase of prevention of cervical cancer and the reduction of Chlamydia infection. There are many new members of the Board and I would like to thank them for their active participation and support during the development of the strategic plan. Their involvement together with the executive management team will ensure that Victoria will continue to have the lowest incidence of cervical cancer in Australia.

Over the past 12 months the Board has instituted several processes to try and ensure its ongoing effective function. Individual members of the Board will do a self assessment at the end of their first 12 months and then prior to the completion of their term of appointment. In addition each Board member will be asked for critical feedback about the overall function of the board and the way in which this can be improved. We believe that this will ensure that the Board remains focused and continues to function effectively.

The major achievements made throughout 2008 and 2009 would not have been possible without a dedicated and enthusiastic executive team led by Associate Professor Marion Saville. Her dedication and vision for the organisation is unquestioned. On behalf of the VCS Board of Directors I would like to thank Marion and her staff at VCS Inc. for a successful year and I would like to thank my fellow members of the Board for their support and enthusiasm.

PETER GRANT
President Board VCS Inc.

EXECUTIVE DIRECTOR'S REPORT

This year was the last reporting against the 2006-2009 Strategic Plan. The organisation's success against the plan and its associated objectives for the year were commendable with significant improvements and achievements seen in a number of areas including but not limited to the following key areas:

- Establishment of the National Human Papillomavirus Vaccination Program Registry.
- The successful delivery of the PCC 2009 conference- Preventing Cervical Cancer: Integrating Screening and Vaccination.
- Achieving Endorsed Provider status from The Royal Australian College of General Practitioners allowing continuing education points for GPs through our Education Sessions.
- Production of the "How to Take a Pap Smear". DVD resource.
- Invitation to participate as a member in the Advisory Committee "ACCEPt" - Australian Chlamydia Control Effectiveness Pilot.
- \$260,177 spent in training and conference participation.
- The replacement of all Desk top and Lap top computers in the organisation.
- The recruitment of Julia Brotherton, Epidemiologist, and Bianca Barbaro, Geographer, to assist in the organisation's participation and development of research projects.

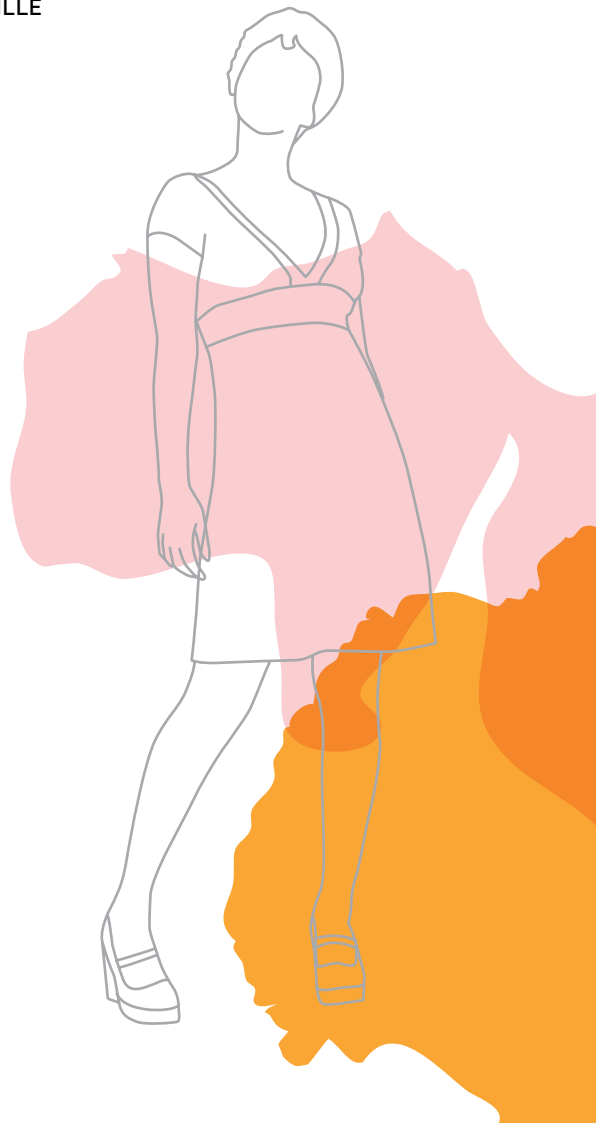
These achievements represent growth in each of the areas targeted in the Strategic Plan and are a testament to the VCS Inc Executive Team and their supporting staff. I would like to give special thanks to Mr Mark Van Zuylenkom - Director Corporate Services, A/Prof Dorota Gertig - Director Registries, Ms Gillian Phillips - Director Laboratory Operations, Mr Matthew Cunningham - Director ICT, for their support and enthusiasm in delivering the plan and guiding their teams through the work processes involved. Further details of these achievements are contained within this report.

A Strategic Plan for 2009 - 2012 has been developed in consultation with the VCS Inc. Board of Directors and will underpin the organisation's activities over the next 3 years. The new plan has been developed to achieve a new vision of growth whilst maintaining high standards of core service. I look forward to developing the new initiatives associated with the plan and working with the team at VCS Inc. to ensure the organisation's future success in a rapidly changing environment.

I would like to thank Peter Grant and the members of the Board for their continued support, guidance and wisdom. I would also like to acknowledge the ongoing support of the Victorian and Commonwealth Governments, essential to our ongoing operations.

Finally, thank you to all our stakeholders who together contribute to the health of Victorian women.

A/PROF MARION SAVILLE
Executive Director



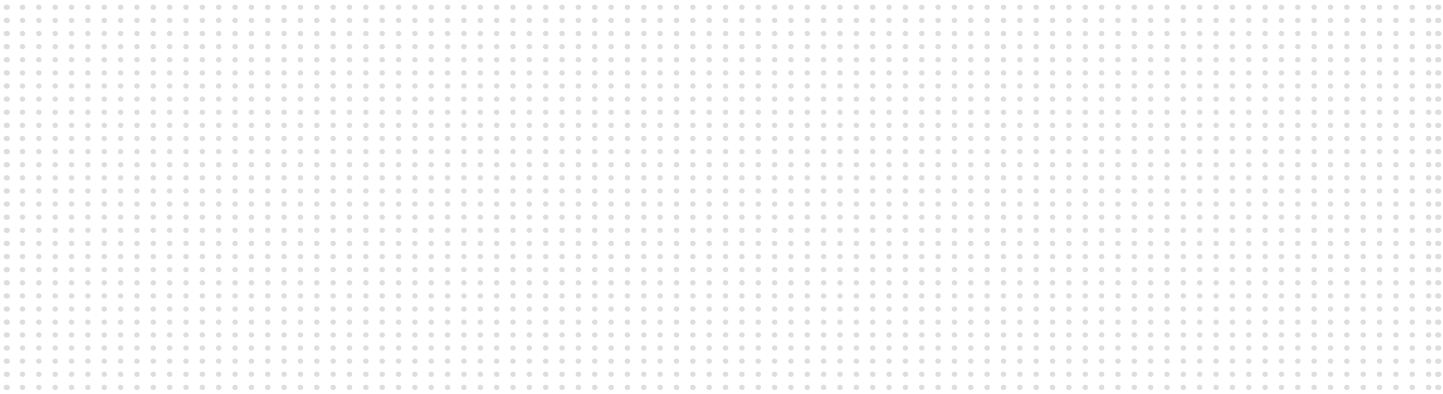


A NEW STRATEGIC PLAN HAS
BEEN DEVELOPED TO ACHIEVE
A NEW VISION OF GROWTH
WHILST MAINTAINING HIGH
STANDARDS OF CORE SERVICE.

EIGHT CRITICAL SUCCESS FACTORS

The 2008/2009 financial year is the last for the 2006-2009 STRATEGIC PLAN. This plan contains specific strategies required to be delivered over the 2006-2009 period and focuses on 8 CRITICAL SUCCESS FACTORS. This report provides details of VCS Inc's achievements against those critical success factors.

1. DELIVER EXCELLENCE IN
CORE LABORATORY AND
REGISTRY SERVICES
2. INVESTIGATE AND PLAN FOR
DIVERSIFICATION IN TESTING
3. MAINTAIN RELATIONSHIPS
WITH HEALTH PRACTITIONERS
4. MAINTAIN AND DEVELOP
PARTNERSHIPS AND
ALLIANCES
5. MAINTAIN AN APPROPRIATELY
SKILLED WORKFORCE
6. MAINTAIN AND
BUILD APPROPRIATE
INFRASTRUCTURE
7. CONTRIBUTE TO THE
DEVELOPMENT OF PUBLIC
HEALTH POLICY
8. DEVELOP A PROGRAM OF
RESEARCH RELEVANT TO
SCREENING POLICY AND
NEW TECHNOLOGIES



1. DELIVER EXCELLENCE IN CORE LABORATORY AND REGISTRY SERVICES

The Victorian Cytology Service strives to consistently provide accurate and timely laboratory and registry services that meet or exceed community expectations and regulatory requirements.

TURN AROUND TIMES

PAP SMEARS

Turn around times (TAT) for Pap tests have frequently remained below VCS' internal target of less than 2.5 days from receipt in the laboratory. For a short period the turn around time reached 3 days however close management ensured this was reduced quickly to more acceptable levels.

HISTOLOGY TURN AROUND TIME

Histology reporting is slightly above VCS' internal targets set for non-complex specimens being processed within 48 hours of receipt (50th percentile), and more complex cases

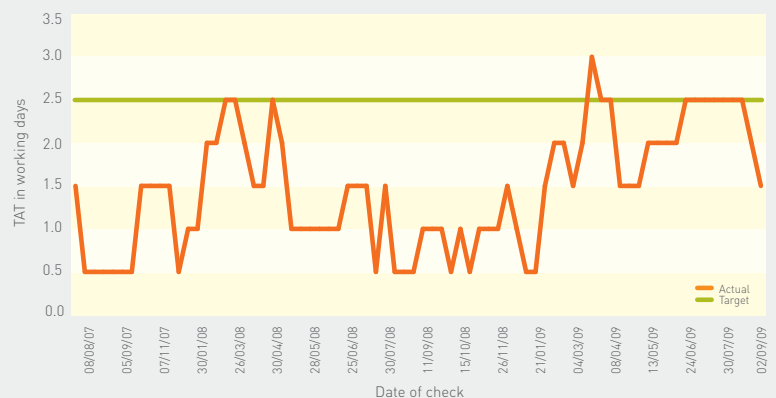
reported within 72 hours of receipt (90th percentile). The slight increase in the 90th percentile was largely due to public holidays and unexpected leave due to illness in the pathology department. Close monitoring will ensure these targets are consistently met over the next financial year.

HPV AND CHLAMYDIA

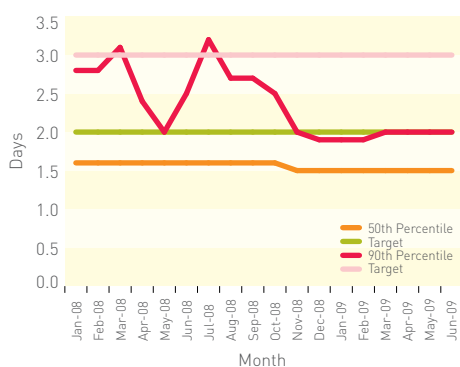
Internal targets for HPV and Chlamydia reporting are 50th percentile <6 days, 90th percentile <8 days. Weekends and public holidays are included as these form part of the turn around time that our clinicians experience. The November 08 to January 09 period saw an increase in the 90th percentile for Chlamydia largely due to the holiday period. Close monitoring has ensured the targets are once again being met.

TURN AROUND TIMES
FOR PAP TESTS HAVE
FREQUENTLY REMAINED
BELOW VCS' INTERNAL
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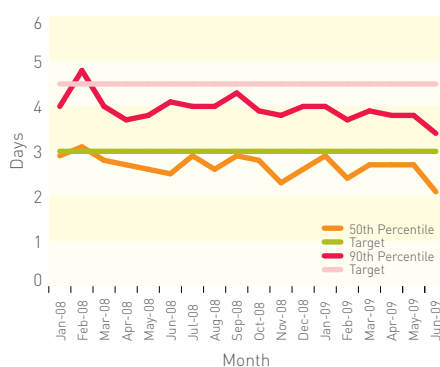
PAP SMEAR TURNAROUND TIME



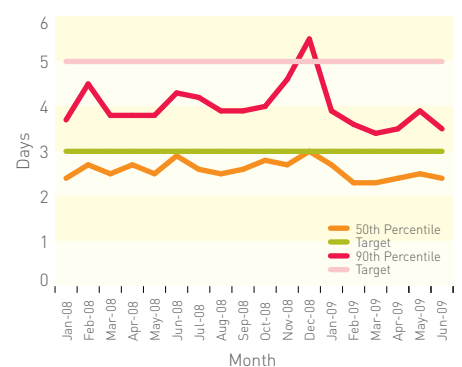
HISTOLOGY TAT RECEIPT TO VALIDATION



HPV TAT COLLECTION TO VALIDATION



CHLAMYDIA TAT COLLECTION TO VALIDATION



2. INVESTIGATE AND PLAN FOR DIVERSIFICATION IN TESTING

NATIONAL HPV PROGRAM VACCINATION REGISTER (NHVPR)

In February 2008 VCS Inc. entered into a Contract with the Commonwealth of Australia through the Department of Health and Ageing to establish and manage the National HPV Program Vaccination Register (NHVPR). The primary function of the NHVPR is to support the implementation of the National HPV Vaccination Program. Functions of the NHVPR include registering immunisation providers, generating individual consumer immunisation records, producing follow ups and reminders, making notification payments, conducting research and producing statistical information on the National HPV Vaccination Program.

The Minister for Health the Hon Daniel Andrews officially launched the opening of the new premises at 250 Victoria Parade East Melbourne, housing the NHVPR and the Victorian Cervical Cytology Register on the 11th August 2008.

CHLAMYDIA TESTING

Negotiations for the introduction of Polymerase Chain Reaction (PCR) technology for the testing of Chlamydia into VCS are proceeding. High level planning for the changes to the Central Laboratory has commenced with the new test scheduled to be implemented by the end of 2009.



L to R – Prof Peter Grant (VCS Board President),
The Honourable Daniel Andrews (Minister for Health),
Assoc Prof Marion Saville (Executive Director VCS)

3. MAINTAIN RELATIONSHIPS WITH HEALTH PRACTITIONERS

EDUCATION

The Senior Liaison Physician, Dr Stella Heley and Liaison Physicians, Dr Siobhan Bourke and Dr Larissa Roeske have delivered in excess of 48 educational updates to a combined audience of more than 493 GPs, Registrars, Nurses and Midwives. These education sessions are designed to cover the cervical screening program, the HPV (Human Papillomavirus) vaccine, and testing for Chlamydia trachomatis and are tailored to suit the requirements of the audience.

During the year VCS achieved Endorsed Provider status from The Royal Australian College of General Practitioners allowing our Liaison Physicians to deliver Active Learning Modules (ALM) to general practitioners. Each ALM attended attracts 40 continuing education points (CDP) of the 150 CDP's required by GPs for the 2008-2010 triennium.

VCS in conjunction with PapScreen Victoria and Melbourne Sexual Health Centre produced an instructional DVD "How to Take a Pap Smear". This resource has been very well received and is distributed at relevant conferences and education sessions.

Customer Liaison, Lyndal Ritchie continued to contact GPs, Obstetricians & Gynaecologists, Practice Managers and Nurses with a focus on Chlamydia and HPV testing and promoting the VCS Education sessions.

SUPPORT

The VCS Liaison Physicians, Pathologists and Laboratory staff provided support to medical practitioners in a range of areas including:

- Correlation of histology and cervical cytology
- Clinical and Diagnostic advice
- Advice on how to take an optimal Pap test
- HPV and Chlamydia tests
- Management of women with Pap test detected abnormalities (in accordance with the NHMRC Guidelines)
- Cervical Screening Program.

CONFERENCES/PRESENTATIONS

VCS presented and/or supported the following conferences:

2nd Women's Health Education Day – Saturday 23rd August, 2008.

The Best Ever Conference – Friday 10th to Sunday 12th October 2008 – Melbourne Dermatology Society – November 2008

The General Practitioner Conference and Exhibition (GPCE) – November 2008

Health Ed – Melbourne University – 14th March 2009

Big Weekend – Saturday 14th to Sunday 15th March 2009

PCC 2009 Conference – 18-21st March 2009

Sexual Health Update – 2nd May 2009

CLIENT SURVEY

A service improvement survey was posted late March 2009 to 1840 referring practitioners. A 27% response rate (498 responses) was achieved and all respondents rated the quality of VCS service as "high" or "very high". 81% of respondents rated the quality of service as "very high".

VCS IN CONJUNCTION WITH PAPSCREEN VICTORIA AND MELBOURNE SEXUAL HEALTH CENTRE PRODUCED AN INSTRUCTIONAL DVD "HOW TO TAKE A PAP SMEAR". THIS RESOURCE HAS BEEN VERY WELL RECEIVED AND IS DISTRIBUTED AT RELEVANT CONFERENCES AND EDUCATION SESSIONS.



DURING THE YEAR VCS ACHIEVED ENDORSED PROVIDER STATUS FROM THE ROYAL AUSTRALIAN COLLEGE OF GENERAL PRACTITIONERS ALLOWING OUR LIAISON PHYSICIANS TO DELIVER ACTIVE LEARNING MODULES (ALM) TO GENERAL PRACTITIONERS. EACH ALM ATTENDED ATTRACTS 40 CONTINUING EDUCATION POINTS (CDP) OF THE 150 CDP'S REQUIRED FOR THE 2008-2010 TRIENNium.

From left to right:
Dr Stella Heley,
Dr Siobhan Bourke and
Ms Lyndal Ritchie

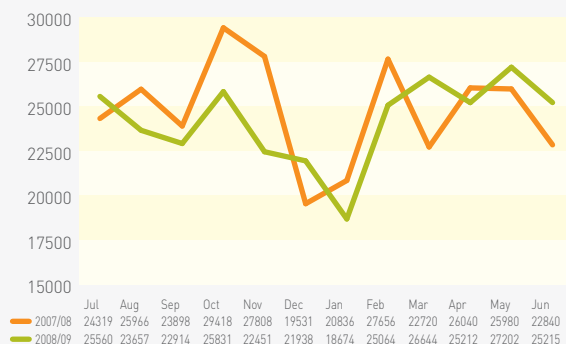


THE LABORATORY SERVICES

PAP TESTS

The volume of Pap tests received in the 2008/09 financial year was 289,669 compared to 297,012 in 2007/08. VCS reported 50.2% of the Pap tests taken in Victoria so smears taken prior to biopsy are often immediately available for review and correlation. During the second half of 2008, a decline in Pap test numbers was noted across Victoria from Victorian Cervical Cytology Registry (VCCR) data and this has continued in the beginning of 2009. During the first few months of 2009, numbers recovered and are now consistent with, or slightly above those in previous years.

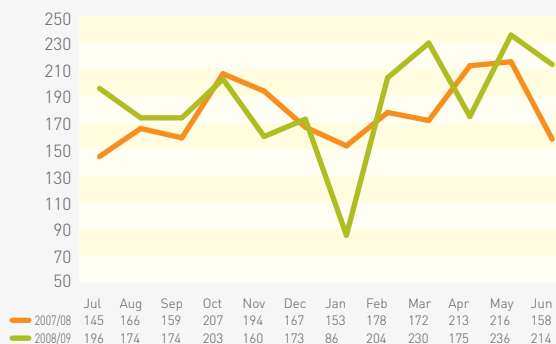
PAP TEST TOTALS



HISTOLOGY

Histology reporting volumes were 2225 for the 2008/09 financial year, a 4.5% growth from 2007/2008 and an 11% growth from 2006/2007. The drop in volumes over the January period is attributable to our main referrers taking leave over the Christmas period. VCS's histology specimens are bulk billed, so patients do not incur out-of-pocket expenses. This is particularly advantageous for patients in the current economic climate.

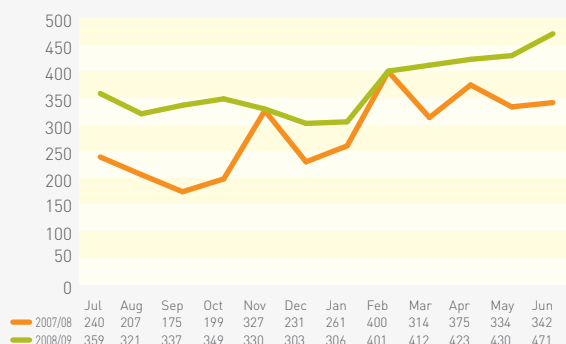
HISTOLOGY TOTALS



CHLAMYDIA

Chlamydia testing has steadily increased with a total of 4,442 tests reported in 2008/09 compared to 3,405 in 2007/08. Test numbers have more than doubled since the introduction of Chlamydia testing in the 2006/07 financial year.

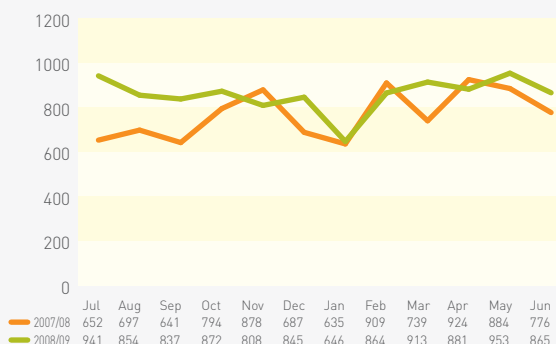
CHLAMYDIA TESTING



HPV TESTING

HPV test numbers have stabilised with a total of 10,279 reported in 2008/09 compared to 9,217 in 2007/08. Test volumes are likely to increase as a result of VCCR's planned repeat test reminder mail out to GPs scheduled for 2009/10.

HPV TESTING



4. MAINTAIN AND DEVELOP PARTNERSHIPS AND ALLIANCES

To ensure that VCS Inc. has strong relationships with key external stakeholders, Senior Staff have been involved in the following:

COMMITTEE PARTICIPATION

ASSOCIATE PROFESSOR MARION SAVILLE IS A MEMBER OF THE FOLLOWING COMMITTEES:

- International Board of Cytopathology – (International Academy of Cytology)
- Membership Committee of the International Academy of Cytology
- Evolving Technologies Committee of the International Academy of Cytology
- NSW Cancer Screen Advisory Committee
- Victorian Collaborative Gynaecological Oncology Group.
- Medical Services Advisory Committee (MSAC) Reference No 39: "Human Papillomavirus triage test for women with possible or definite low-grade squamous intra-epithelial abnormalities of the cervix".
- Medical Services Advisory Committee (MSAC) Reference No 1122: "The ThinPrep system for Cervical Cancer Screening".
- HPV Surveillance Working Party, Communicable Diseases Network Australia
- Member of the Advisory Committee to ACCEPt – Australian Chlamydia Control Effectiveness Pilot.

ASSOCIATE PROFESSOR DOROTA GERTIG IS A MEMBER OF THE FOLLOWING COMMITTEES:

- Victorian Collaborative Gynaecological Oncology Group.
- BreastScreen Australia Mortality Feasibility Study Expert Technical Advisory Group
- Department of Health and Ageing – National Safety Monitoring Committee for the NHMRC Guidelines for the Management of Asymptomatic Women with Screen Detected Abnormalities.
- Scientific Committee, Victorian Breast Cancer Research Consortium.
- Advisory Committee to ACCEPt – Australian Chlamydia Control Effectiveness Pilot.

EPIDEMIOLOGIST DR JULIA BROTHERTON IS A MEMBER OF THE FOLLOWING COMMITTEES:

- National Immunisation Committee Data Sub-Committee
- 2009 Adult Vaccination Survey Advisory Group
- HPV Surveillance Working Party, Communicable Diseases Network Australia
- World Health Organisation HPV Surveillance and Monitoring Working Group

VCS LABORATORY SCIENTIFIC STAFF COMMITTEE INVOLVEMENT:

Ms Gillian Phillips – Chair, Royal Women's Hospital Human Research Ethics Committee

Ms Gillian Phillips – Member, RMIT University Laboratory Medicine Program Advisory Committee

Ms Gillian Phillips – Editor, Cytoletter, Australian Society of Cytology

Ms Grace Tan – Member, Board of Examiners, Australian Society of Cytology.

INTERNATIONAL INVITATIONS TO SPEAK

A/Prof Marion Saville was invited by the Canadian Partnership Against Cancer to speak at an HPV Roundtable session in October 2008. The Roundtable was convened to bring together stakeholders to contribute to the identification of key priorities for an action plan on cervical screening and HPV immunisation in Canada.

VCS Inc Epidemiologist Dr Julia Brotherton was invited to participate as a main speaker in the second edition of the International Workshop on HPV and Cancer held on 29 January 2009 in Barcelona (Spain). The workshop was designed to discuss hot topics in HPV and genital cancer epidemiology and prevention and was attended by gynaecologists, oncologists, epidemiologists and public health professionals involved in cancer research and prevention.

Dr Julia Brotherton gave two invited presentations relating to the surveillance of HPV post vaccination at the International Papillomavirus Conference in Malmo, Sweden in May 2009.

A/Prof Gertig and Dr Brotherton were invited to speak and participate in the 1st Symposium on Human Papillomavirus Vaccination in the Asia-Pacific and Middle East at the International Vaccine Institute in Seoul, Korea in June 2009.

TEACHING

RMIT CYTOLOGY COURSE

The VCS External Teaching Coordinator Ms Fiona Maxey and two External Teaching Assistants successfully completed the delivery of Cytology 1 (79 students) and Cytology 2 (12 students). This RMIT subject is substantially taught at VCS to enable students to have the best possible access to the extensive VCS teaching resources. Student surveys of this 4th year subject showed a very high level of satisfaction with the course.

TEACHING VCS EXTERNAL COURSES

The annual VCS Gynaecological Cytology Courses were fully subscribed and successfully delivered in the last two weeks of July 2008. The teaching program was coordinated by Grade 3 Scientist, Jane Ross, and sessions were delivered by a number of VCS Pathologists and Scientists. Feedback from all course participants was strongly positive, including favourable comments regarding the revised and reformatted Cytology Course Notes.

CERVICAL SCREENING IN PACIFIC NATIONS

VCS Inc's support of Pap smear testing in the South Pacific region, particularly Samoa, has continued.

PATHOLOGY REGISTRARS/MEDICAL STUDENTS

VCS' annual weekend training sessions in Cytopathology for Pathology Registrars were held over three weekends in July/August attracting approximately 15 registrars at each session. This training held at VCS, is the only gynaecological cytology training offered to Pathology Registrars in Victoria. The sessions have been timed and designed to assist the Registrars in preparing for their Royal College of Pathologists Australia (RCPA) Part I and II exams.



5. MAINTAIN AN APPROPRIATELY SKILLED WORKFORCE

VCS Inc. has a workplace environment that maximizes effective leadership, recruitment opportunities, staff performance, development, motivation and engagement. The workplace culture aligns and delivers our Vision, Mission and Values.

TRAINING AND DEVELOPMENT

VCS Inc. invested \$260,177 in training for the year encompassing internal courses, in-house meetings, slide reviews, external conferences, seminars, scientific meetings, journals and publication subscriptions and all training associated travel and accommodation costs.

External courses include conferences, seminars and training which are either conducted off site or in-house by an external provider. A total of 72 external courses, offering 212 training places, were attended by VCS staff. A total of 193 internal training events were conducted offering 1785 internal training places to VCS staff. Internal courses are not expensed and include Quality Activities, Scientific Meetings, Procedure and Emergency Training. Training across all departments is recorded in the Quality System, Q.Pulse. This system logs all training by individual staff member and provides a record of when and if any refresher courses are required. Training is also monitored by the management group on a quarterly basis.

STAFF MEETINGS

Departmental, Management, Quality and Operational meetings are held and minuted on a regular basis. At the conclusion of each quarter a Management Review Meeting is held to ensure that the organisation is meeting its targets and is working efficiently against the critical success factors of the Strategic Plan.

RECRUITMENT

As at the 30th June 2009 there were 144 employees at VCS Inc. During the year there were a total of 12 vacancies which included casual staff and 10 that were successfully filled.

In line with the organisation's commitment to education, three Trainee Cytology Scientists were recruited in January 2009. All three successfully completed their training, and were offered 2 year fixed term contracts at VCS. In addition a Fellow in Gynaecological Cytology, Gayanie Ratnayake, was appointed in February 2009.



6. MAINTAIN AND BUILD APPROPRIATE INFRASTRUCTURE

NATIONAL HPV VACCINATION PROGRAM REGISTER

The National HPV Vaccination Program Register (NHVPR) computer system "HVRIS" was successfully implemented on the 3rd December 2008. The HVRIS system is essential for supporting the National HPV Vaccination Program as well as for ongoing monitoring and evaluation. The HVRIS system provides the Register with the functionality to receive data from all states and territories and from all types of vaccination providers. Many staff worked extremely hard to deliver this project, and in particular Matthew Boler and Leigh Trevaskis must be commended for their very significant contribution to the successful development of the HVRIS system throughout the course of the year.

The HPV Register records data about:

- HPV vaccine doses administered
- select demographic data (name, address, date of birth, Medicare number, name and contact details of the consenting parent or guardian, indigenous status (optional))
- the person who administers the vaccine.

The HPV Register:

- sends completion of vaccination statements to all individuals who have received the vaccine
- sends reminders to individuals who are overdue for vaccination within the school-based program
- notifies vaccinated individuals, in the event that booster doses are required in future
- makes payments to general practitioners who notify the Register of a vaccine dose administered to a 12–26 year-old female
- provides reports on vaccination status to vaccination providers
- provides de-identified data to inform policy making and approved research

DESK TOP UPGRADES

110 Desktop/Laptop PCs were replaced with new machines at a cost of \$237K. This update is part of a four year replacement cycle to ensure VCS technology is able to effectively support service delivery.

VCS INC RISK MANAGEMENT

In February 2009 VCS Inc implemented a Risk Management Policy and Procedure. The purpose of the policy and procedure is to provide a framework for the assessment of risk within VCS Inc.

The VCS Inc. Risk Management Policy & Procedure is based on the risk management process outlined in the Australian and New Zealand Standard for Risk Management - AS/NZS 4360:2004.

7. CONTRIBUTE TO THE DEVELOPMENT OF PUBLIC HEALTH POLICY

VCS Inc pursues opportunities to contribute to the development of evidence based policy in screening, diagnostic and disease prevention programs in women's health, at a state and national level. The activities over the 2008/09 financial year include:

ADVISORY COMMITTEE MEMBERSHIPS

Marion Saville continues as a member

- NSW Screening Advisory Committee
- Advisory panels to MSAC considering the role of HPV testing in the triage of low grade Pap smears and an application for funding for LBC with image analysis.
- HPV Surveillance Working Party, Communicable Diseases Network Australia
- Advisory Committee to ACCEPt - Australian Chlamydia Control Effectiveness Pilot

Dorota Gertig is a member of the following:

- BreastScreen Australia Mortality Feasibility Study Expert Technical Advisory Group
- Department of Health and Ageing – National Safety Monitoring Committee for the NHMRC Guidelines for the Management of Asymptomatic Women with Screen Detected Abnormalities
- Advisory Committee to ACCEPt - Australian Chlamydia Control Effectiveness Pilot

Julia Brotherton is a member of the following:

- 2009 Adult Vaccination Survey Advisory Group
- HPV Surveillance Working Party, Communicable Diseases Network Australia
- World Health Organisation HPV Surveillance and Monitoring Working Group

CONFERENCE – PREVENTING CERVICAL CANCER: INTEGRATING SCREENING AND VACCINATION PCC 2009

VCS in association with NCIRS hosted a conference "Preventing Cervical Cancer 2009; Integrating Screening and Vaccination" which ran from the 18th – 20th March 2009.

The conference attracted 221 delegates from all aspects of the screening and the vaccination programs. Three high profile international speakers and a range of national experts, including Professor Ian Frazer spoke at the conference. There was a dedicated session on preventing cervical cancer in indigenous women presented by representatives from both the screening and vaccination programs. This was well supported by a presentation from a representative from the Department of Health (Vic) about the importance of collecting accurate ATSI status information about women in the cervical screening programme.

Informal feedback from the delegates and from the speakers suggest that the conference was well regarded both in terms of its scientific content and in terms of networking opportunities.

Thirty staff from the Victorian Cytology Service were able to attend the conference and these included staff not only from the scientific, public health and pathologists areas but also from other areas of the organisation.

A recording of the conference has been placed on the VCS Website, the PCC2009 Conference Website, the VCS Intranet and was distributed on DVD to all delegates.



PCC2009

Conference Preventing Cervical Cancer:
Integrating Screening and Vaccination

RECORDING INDIGENOUS STATUS FOR THE PAPSCREEN VICTORIA PROGRAM PILOT PROJECT

VCS collaborated with PapScreen Victoria, the Department of Human Services and the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) to introduce the "Recording Indigenous Status for the PapScreen Victoria Program Pilot Project". The objective of the project is to obtain quality data on Indigenous women's participation in the cervical screening program in order to:

- gather clinical information about the types and severity of cervical abnormalities affecting Aboriginal and Torres Strait Islander women
- understand screening behaviour and guide service planning, education activities and recruitment strategies
- improve access to service delivery
- inform policy development

All VCS credentialed nurses were invited to participate in the pilot which commenced with a training day scheduled on 1st August 2008.



8. DEVELOP A PROGRAM OF RESEARCH RELEVANT TO SCREENING POLICY AND NEW TECHNOLOGIES

To assist VCS Inc's involvement in research activities that contribute to improvements to the delivery of screening, diagnostic and disease prevention programs in women's health, several new appointments were made during the year. Julia Brotherton, a public health physician, was recruited to the role of Epidemiologist to support VCS Inc. in research opportunities. For the past 5 years Julia has been involved in research and policy development informing the implementation and evaluation of HPV vaccination programs in Australia. A full time geographer Ms Barbara Bianco, was employed as a Project Officer to assist in the work around the Victorian Cancer Action Plan.

Early in 2009, Dorota Gertig led several submissions for projects associated with the Victorian Cancer Action Plan. Funding was obtained for the following projects:

- Literature review on strategies to increase participation in screening
- Environmental survey of Australian screening programs to ascertain strategies used to improve screening rates
- Data Linkage project to inform screening: A scoping study will be undertaken to determine how de-identified data linkage between VCCR, other screening programs and other administrative data sets may provide information about participation across screening programs and about which groups are underscreened, including ATSI and CALD groups

The VCCR has a strong commitment to providing relevant data to policy-makers and researchers so that evidence-based decision can contribute to ensuring the best outcomes for women. In this regard, the following data were provided for national initiatives to inform policy:

- National Safety Monitoring Data Request:
 - All state and territory Pap test registries have been requested to supply data to assist with the safety monitoring of the NHMRC cervical cancer screening guidelines. VCCR provided baseline data covering the period 01/01/1999 to 30/06/2006 and ongoing data for the six month period 01/01/2007 to 30/06/2007. Ongoing six monthly data will be requested at regular intervals.

- Medical Services Advisory Committee
 - VCCR provided data for the evaluation of cervical smear technology
 - MSAC evaluations #1122/39 – automated cytology and HPV triage testing
 - NHMRC project 440200 'Optimising cervical screening after the introduction of HPV vaccination in Australia: Modelling of outcomes'

The data will help specify and calibrate a simulation model of the screening program which incorporates a natural history model for HPV, and simulates screening compliance and treatment.

Julia Brotherton is involved in two collaborative projects with current grant funding:

1. Optimising cervical screening after the introduction of HPV vaccination in Australia: Modelling of outcomes (associate investigator on NHMRC funded study. CIA Dr Karen Canfell)
2. A randomised trial of a web-based toolkit for applying evidence in general practice at a cervical cancer prevention visit (chief investigator on 3 year project grant funded by the Cancer Council NSW. CIA Dr Lyndal Trevena). This project aims to determine the effect of an evidence-based decision tool for women aged 19-26, on Pap test consultation length, HPV knowledge, uptake of tests and vaccine, provider communication and consumer decisional conflict.

OTHER RESEARCH PROJECTS

- ARC Linkage grant *Planning female and male vaccinations and cervical screening strategies to achieve optimal prevention of HPV related disease* in which VCS is a partner organisation, received funding for four years. Sub-groups of the project team are now meeting on a regular basis and Marion Saville, Dorota Gertig and Julia Brotherton are participating in the group advising on cervical screening issues.
- Dorota Gertig is a co investigator on the Genetic and environmental factors in invasive cervical cancer: a twin study grant with Suzanne Garland, that has been funded by NHMRC for \$696,728. A mail out to participants in the main Victorian study has commenced and ethics has been approved in NSW.
- Dorota Gertig is a co-investigator on the NHMRC grant submission *Pre-cancerous changes in the cervix and subsequent fertility and pregnancy outcomes*.

PUBLICATIONS 2008

DOROTA GERTIG

- Where are we today with cervical cancer in Australia? Wharton C, Rowlands L, Gertig D; Cancer Forum 32[2]:76-80.
- Australian Cancer Study (Ovarian Cancer); Australian Ovarian Cancer Study Group. Talcum powder, chronic pelvic inflammation and NSAIDs in relation to risk of epithelial ovarian cancer. Merritt MA, Green AC, Nagle CM, Webb PM; Int J Cancer 2008 Jan 1;122(1):170-6.*
- Caffeine, alcohol, smoking and the risk of incident epithelial ovarian cancer. Tworoger SS, Gertig DM, Gates MA, Hecht JL, Hankinson SE. Cancer 2008;112(5):1169-77.
- Australian Ovarian Cancer Study Group; Gertig D, DeFazio A, Bowtell DD. Novel Molecular Subtypes of Serous and Endometrioid Ovarian Cancer Linked to Clinical Outcome Tothill RW, Tinker AV, Brown GJ, Fox SB, Lade S, Johnson DS, Trivett MK., Etemadmoghadam D, Locandro B, Traficante N, Fereday S, Hung JA, Chiew YE, Haviv I.; Clin Cancer Research 2008 14(16):5198-208*
- Association of a common AKAP9 variant with breast cancer risk: a collaborative analysis. Frank B, Wiestler M, Kropp S, Kari Hemminki et al. J Natl Cancer Inst 2008;100(6):437-42.
- Using mammographic density to improve breast cancer screening outcomes. Cancer Epidemiol BioMarkers & Prev 2008; Kavanagh AM, Byrnes GB, Nickson C, Cawson JN, Giles G, Hopper JL, Gertig DM, English DR. 17(10):2818-24.
- Serous ovarian, fallopian tube and primary peritoneal cancers: a comparative epidemiological analysis. Jordan SJ, Green AC, Whiteman DC, Moore SP, Bain CJ, Gertig DM, Webb PM et al. Int J Cancer 2008;122(7):1598-603. CI 0*
- Consortium analysis of 7 candidate SNPs for ovarian cancer. Ramus SJ, Vierkant RA, Johnatty SE, Pike MC, Van Den Berg DJ, et al. Int J Cancer 2008;123(2):380-8.*
- Body size and risk of epithelial ovarian and related cancers: a population-based case-control study Olsen CM, Nagle CM, Whiteman DC, Purdie DM, Green AC, Webb PM et al.. Int J Cancer 2008;123(2):450-6.*
- Endometrioid and clear cell ovarian cancers: a comparative analysis of risk factors. Nagle CM, Olsen CM, Webb PM, Jordan SJ, Whiteman DC, Green AC et al. Eur J Cancer 2008;44(16):2477-84.*
- Why do large breast cancers still present in a population offered screening? Kricker A, Newman B, Gertig DM, Goumas C, Armes J, Armstrong BK. Int J Cancer 2008;123(12):2907-14.

- Skewed X chromosome inactivation and breast and ovarian cancer status: evidence for X-linked modifiers of BRCA1. Lose F, Duffy DL, Kay GF, Kedda MA, Spurdle A.B. et al. J Natl Cancer Inst 2008;100(21):1519-29.*
- Mutation of ERBB2 provides a novel alternative mechanism for the ubiquitous activation of RAS-MAPK in ovarian serous low malignant potential tumors. Anglesio MS, Arnold JM, George J, Tinker AV, Tothill R, Waddell N, et al. Mol Cancer Res 2008;6(11):1678-90.*
- Polymorphism in the IL18 gene and epithelial ovarian cancer in non-Hispanic white women. Palmieri RT, Wilson MA, Iversen ES, Clyde MA, Calingaert B, Moorman PG et al. Cancer Epidemiol Biomarkers Prev 2008;17(12):3567-72.*

* Contributing author as part of Australian Ovarian Cancer Study Group

JULIA BROTHERTON

- Human papillomavirus and cervical cancer in Australasia and Oceania: risk-factors, epidemiology and prevention. Garland SM, Brotherton JM, Skinner SR, Pitts M, Saville M, Mola G, Jones RW. Vaccine 2008 26 Suppl 12:M80-8.
- Anaphylaxis following quadrivalent human papillomavirus vaccination. Brotherton JM, Gold MS, Kemp AS, McIntyre PB, Burgess MA, Campbell-Lloyd S; New South Wales Health HPV Adverse Events Panel. CMAJ 2008;179(6):525-33.
- Monitoring vaccine safety: a critical component of every immunization program. Brotherton JM, Gold MS.. Med J Aust 2008 189(5):243-4.
- The predicted impact of vaccination on human papillomavirus infections in Australia. Smith MA, Canfell K, Brotherton JM, Lew JB, Barnabas RV. Int J Cancer 2008 123(8):1854-63.
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- How much cervical cancer in Australia is vaccine preventable? A meta-analysis. Brotherton JM. Vaccine 2008 26(2):250-6
- Research highlights: highlights from the latest articles in human papillomavirus vaccination and cervical cancer research. Skinner R, Brotherton J. Therapy 2008;5:283-7.
- Interim estimates of human papillomavirus vaccination coverage in the school-based program in Australia. Brotherton JML, Deeks SL, Campbell-Lloyd S, Misrahi A, Passaris I, et al. Commun Dis Intell 2008;32:457-461.

SENIOR OFFICERS

EXECUTIVE OFFICERS

Executive Director and Public Officer

Associate Professor Marion Saville
MBChB, Am Bd (Anat Path & Cytopath), FIAC, Grad Dip Med (Clin Epi)

Director - Registries

Associate Professor Dorota Gertig
MBBS (Hons), MHSc, ScD, FAFPHM

Director - Corporate Services

Mark Van Zuylenkom BSc, MBA, GAICD

Director - Laboratory Operations

Gillian Phillips
M. App. Science, M. Health Service Management, CT(ASC), CT(IAC)

Director - Information Communication Technology

Matthew Cunningham BBus(InfoSys), MIS

MEDICAL STAFF

Epidemiologist

Julia Brotherton MB BS (Hons), MPH (Hons), GDip Epi, FAFPHM

Managing Pathologist

Siew Chin Lian MB, BS, FRCPA

Deputy Managing Pathologist

Trishe Leong MB, BS(Hons), FRCPA

Pathologists

Henry Yeung MB, BS, FRCPA

Kristy Dundas MB, BS, FRCPA

Alison Skene MB, BS, B.Med.Sc.(Hons), FRCPA

Karen Talia MB, BS(Hons), FRCPA

Senior Liaison Physician

Stella Heley
BA (Hons) MB, BS, Dip Ven (Lond), FACSHP

Liaison Physician

Siobhan Bourke
FACHSHM, MPH, MBBS(Hons), Grad Cert PH (Sexual Health)

Liaison Physician

Larissa Roeske MBBS Hons, FRACGP, DipVen

SENIOR ADMINISTRATION STAFF

Finance Manager

Pauline Lomas B.Bus(Acc), ASA

Human Resources Manager

Sally Wilson BA/B.Com

Quality Manager

Peter Di Sciascio BSc, MAACB, MAIMS

Health Information Manager VCCR

Cathryn Wharton BAppSc, GradCertHlthInfo

Follow-Up/Quality Manager VCCR (until October 2008)

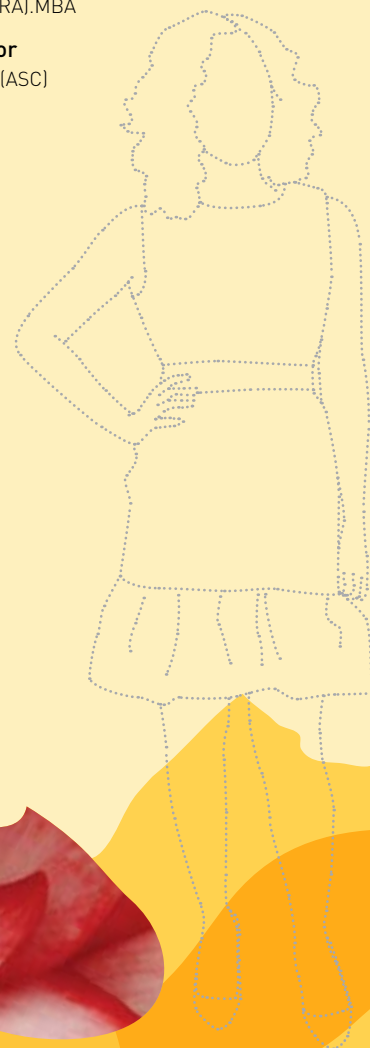
Cathy Burrows BSc (Hons)

Manager - VCCR/NHVPR

Genevieve Chappell BAppSc(MRA).MBA

External Teaching Coordinator

Fiona Maxey BAppSc (MLS), CT (ASC)



BOARD MEMBERS

ESTABLISHMENT

The Board is established by the VCS Rules of Incorporation. These rules provide the internal governance procedures for the organisation.

The areas of expertise for selection to the Board include:

- Finance, commerce or corporate management
- Law
- Medical practitioner with gynaecological/colposcopy expertise
- Nurse with relevant expertise in preventative health perspective
- General Practitioner
- Consumer perspectives

FUNCTIONS

The Rules provide that the functions of the board are:

- To oversee the management of the Service by the Executive Director
- Exercise all powers and functions as may be exercised by the Service, subject to the Act and the Rules
- Employ the Executive Director
- Establish Committees

Board members are provided with an Induction Package outlining the responsibilities of the Board. On an annual basis, the Board Members review the operation and performance of the Board as a whole. The performance of individual Board Member's is reviewed by a process of self-assessment at agreed intervals throughout their term on the Board.

ASSOCIATE PROFESSOR PETER GRANT – PRESIDENT

Associate Professor Grant joined the VCS Inc Board in 2004 as the representative with expertise in the area of Gynaecological Oncology and was appointed President in 2007. Assoc Professor Grant is currently the Director of the Gynaecological Oncology Department at the Mercy Hospital for Women and is a lead investigator or participant in many trials in the area of Gynaecological Oncology. Assoc Professor Grant is also a member of the scientific advisory board for the National Breast and Ovarian Cancer Centre.

MS SANDY ANDERSON,

(Immediate Past President) Vice President

Ms Anderson was appointed to the Board in 2000 to fill the role of Nurse with expertise in family planning and was President of the VCS Inc. Board from 2004 to 2007. Ms Anderson is a registered nurse with a Graduate Diploma of Community Health Nursing, Sexual and Reproductive Health Nurse Training, and a Master of Health Management. Ms Anderson has worked with *PapScreen Victoria* for over eight years in a role working with nurse Pap test providers throughout the state and as part of this role coordinates the Victorian Nurse Credentialing Program. Ms Anderson was recently appointed to the Sexual and Reproductive Health Taskforce formed by DHS in March 2009. Ms Anderson also currently runs a Well Women's Service at Women's Health Grampians servicing Ballarat and other areas of the Grampians region.

MS JULIANN BYRON TREASURER

Ms Byron joined the Board in March 2003 as Treasurer with qualifications including Fellow CPA Australia, Fellow of the Australian Institute of Company Directors, Member of Chartered Secretaries Australia, and Fellow of the Taxation Institute of Australia. Ms Byron has experience with both public and private companies in areas including finance, risk management, governance and strategic planning.

DR JANE COLLINS

Dr Jane Collins was appointed to the Board in February 2008 to fill the role of General Practitioner Representative.

Dr Collins is an experienced General Practitioner, business owner and freelance medical writer with a focus on providing high quality medical care and information. She has a special interest in women's health and more broadly the provision and organisation of health care in the wider community. Dr Collins is a co-owner and the Clinical Director of the Clifton Hill Medical Group, a growing practice that currently has 12 General Practitioners.

PROFESSOR DALLAS ENGLISH

Professor Dallas English joined the Board in October 2007 as the Cancer Council Representative. Professor English obtained a PhD in epidemiology from the University of Washington in Seattle, USA in 1982. From 1982 to 1999, he worked at the University of Western Australia, first in the NHMRC Research Unit in Epidemiology and Preventive Medicine, and later in the Department of Public Health. His last position there was Associate Professor. He moved to the Cancer Council Victoria in February 2000 where he was the Associate Director of the Cancer Epidemiology Centre. Professor English has substantial experience as a cancer epidemiologist having worked in this field since 1982.

BOARD MEMBERS

MS CHRISTINE HARVEY

Ms Christine Harvey was appointed to the Board in February 2008 to fill the role of a representative with Finance, Commerce, Corporate Management and Law expertise.

Ms Harvey is a legal practitioner with degrees in both arts and law (with Honours) from the Australian National University (ANU) and is admitted to practice in the ACT and NSW.

Ms Harvey has had a diverse career as a legal practitioner in both private and government practice and as a special magistrate of the ACT Magistrates Court. In addition, she has significant experience working in professional associations and peak industry bodies at the national, state and territory level.

Ms Harvey has held positions as Director of Professional Standards of the Law Society of the ACT, Executive Director of the Law Society of the ACT; Deputy Secretary-General of the Law Council of Australia, Chief Executive Officer of the Royal Australian Institute of Architects and Chief Executive Officer of The Victorian Bar.

MS MARIE HOWARD

Ms Marie Howard joined the Board in June 2008 as the representative of "Finance, Commerce and Corporate Management. Marie is the CEO of Early Childhood Management Services, a community not-for-profit organisation that provides management services for kindergartens and childcare.

With a background in early childhood Ms Howard has held a variety of positions within the sector including in state government. As CEO, Ms Howard works directly with her Board of Management and has had experience and training in governance. She is also an alumni of Leadership Victoria's Experience Bank Program that trains senior managers in the issues facing the not-for-profit sector with a view of contributing back to the sector by taking up positions on not-for-profit boards and other community activities.

MS LUCY HUNTER

Ms Lucy Hunter joined the Board in 2008 as the Law Representative. Ms Hunter has worked as a solicitor in private practice and is currently employed as corporate counsel in a public hospital.

Ms Hunter has extensive experience in governance, drawing on her experience as a member of the board of a public hospital, the Metropolitan Ambulance Service and the Road Traffic Authority.

MS TESS WHITTAKERS

Ms Tess Whittakers joined the Board in June 2008 as the Consumer Representative. Tess was a participant in the cervical cancer vaccine trials conducted through the Royal Women's Hospital and was involved in promoting the vaccine.

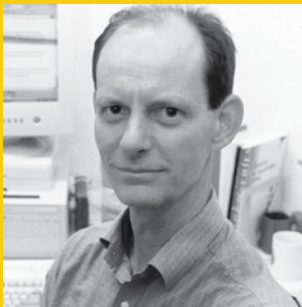
Ms Whittakers has completed a Bachelor of Arts and Sciences at the University of Melbourne and her Master of Development Studies with a focus on human rights and women's health issues. She is currently the Program Coordinator of the Darfur Australia Network in Melbourne.

PROFESSOR TERRY NOLAN

Professor Terry Nolan joined the VCS Board in November 2008. Professor Nolan is Foundation Head of the Melbourne School of Population Health at The University of Melbourne, and Associate Dean of the Faculty of Medicine, Dentistry and Health Sciences. He is Head of the Vaccine and Immunisation Research Group (VIRGo), a joint initiative of the Melbourne School of Population Health and Murdoch Children's Research Institute, and Director of the NHMRC Centre for Clinical Research Excellence (CCRE) in Child and Adolescent Immunisation.

His research includes clinical trials of new vaccines, and epidemiologic studies of respiratory viruses and other vaccine-preventable infections. His research program includes a research group that contributes to the NHMRC-funded national capacity building program in mathematical modelling of vaccine-preventable disease, focussing especially on pandemic influenza modelling.

He is Chair of ATAGI (Australian Technical Advisory Group on Immunisation), the Commonwealth Government peak advisory body on vaccines. He is also a member of three expert committees convened by the Government's Chief Medical Officer: Scientific Influenza Advisory Group (SIAG); the Pandemic Vaccine Advisory Group; and the Pandemic Influenza Expert Advisory Group.



Top row from left: Dr Peter Grant,
Ms Sandy Anderson, Ms Juliann
Byron, Dr Jane Collins

Centre from left: Professor Dallas
English, Ms Christine Harvey, Ms
Marie Howard, Ms Lucy Hunter

Bottom from left: Ms Tess
Whittakers, Professor Terry Nolan

VICTORIAN CERVICAL CYTOLOGY AND NATIONAL HPV VACCINATION PROGRAM REGISTRIES



REPORT FROM THE MEDICAL DIRECTOR, REGISTRIES

Over the past year, the Registries have settled into our new premises in East Melbourne. We welcomed a number of new staff members including: Dr Julia Brotherton who is the Epidemiologist for both Registries, Karen Peasley who is the Health Information manager for NHVPR and Bianca Barbaro who has been appointed as the Project Officer for the work we are doing for the Victorian Cancer Action Plan. The VCCR also farewelled Cathy Burrows in October 2008, after 18 years with the Registry. Over that time, Cathy made an important contribution to all aspects of VCCR activities, in particular follow up and quality assurance.

VCCR

In 2008, more than 565,000 Pap tests were registered by the VCCR, representing almost 538,000 women. In its role as a safety net for the cervical screening program, the VCCR sent almost 250,000 follow-up and reminder letters to women and practitioners. In addition, the VCCR was represented on a number of State and National Committees and working groups over the past year, including the National Safety Monitoring Advisory Committee and the PapScreen Advisory Committee.

VCCR continues to provide timely data relevant to policy within 12 months of the previous calendar year, in the form of our annual statistical report. This was distributed at the end of 2008 and is particularly important for planning purposes as our key stakeholders, such as PapScreen and Department of Health, are able to use timely information for their strategic planning.

Performance measures for quality assurance programs, in particular the QCPA QAP Performance Standards, are provided by VCCR to laboratories on a regular basis.

PapScreen and VCCR collaborated on a letters campaign to unscreened women which was completed in April. An invitation letter to women aged 30-39 yrs on the Electoral roll, but not on the VCCR database, was sent by VCCR on behalf of PapScreen to about 50,000 women. An evaluation of the letters campaign, as well as the associated Media campaign, will be conducted in the near future.

NHVPR

The Minister for Health, Daniel Andrews, officially opened the new premises for the Registries in August of 2008 at a launch attended by many of our key stakeholders including staff from the Department of Health and Ageing (Cth) and Department of Health (Vic). Since then, the establishment of the NHVPR has progressed smoothly in a very short time frame. The initial focus of the NHVPR was on registration of GPs and receiving notifications from GP practices. The IT system, known as HVRIS, went live in December 2008 and upload of data from jurisdictions has progressed in a phased approach.

Although the backlog of data is still being uploaded, interim statistical reports are now available and are being released as data become complete. Over the next 6-12 months, we plan to finish the upload of retrospective data after which data will be provided on an ongoing basis to enable reminder letters to be mailed in a timely fashion.

Since the opening of the Register (and as of June 30 2009), we have: entered more than 2.3 million notifications on the Register, received more than 11,000 phone calls, mailed out more than 176,000 completion statements and paid just under 6 million dollars to GPs for notifying the Register. This has been a tremendous achievement in less than 12 months.

The accomplishments of the Registries would not be possible without the leadership of Genevieve Chappell and the dedication of all the staff and I would like to take this opportunity to thank them all for their hard work during the year. I would also like to thank the senior management team, in particular Matt Cunningham and Mark Van Zuylekom, who have ensured that we continue to receive excellent service from IT and Corporate Services in our new location. Finally, I would like to thank Marion Saville and the Board of Management for their guidance and support throughout the year.

THE ORGANISATION

GOVERNANCE

VCS Inc. is incorporated under the Associations Incorporation Act (Vic) 1981 and governed by a Board of Directors.

ACCREDITATION

The VCS laboratory is accredited to AS 4633:2004 (ISO 15189:2003) "Medical laboratories requirements for quality and competence" and is committed to meeting all relevant industry standards including the various requirements of NATA, National Pathology Accreditation Advisory Council (NPAAC), the Royal College of Pathologists Australia (RCPA) and VCS Inc. insurers.

The next NATA assessment of the laboratory is scheduled for November 2009.

Quality system activities are coordinated by the Quality Manager, Mr Peter Di Sciascio. These activities are supported by the quality management software, Q-Pulse which is designed to ensure all policy and procedure documents are reviewed and updated in accordance with NATA requirements as well as support other key elements of the Quality System.

Medicare Certificate of Approval as an Accredited Pathology Laboratory:

- Cytology
- Microbiology
- Tissue Pathology

Quality Programs:

- RCPA Quality Assurance Programs
- College of American Pathologists (CAP) Quality Programs
- American Society of Clinical Pathology (ASCP) Quality Programs
 - CheckPath
 - CheckSample

POLICIES AND PROCEDURES

The VCS Inc. quality management system Q.Pulse currently holds 574 controlled documents including policies, procedures, work instructions, forms and records. During the year 72 new documents were created. Document revision is monitored by Q.Pulse and alerts are provided as to when documents are due for review. A total of 183 documents were reviewed in this financial year. Relevant staff acknowledgement is required and recorded against each updated or newly released quality document.

RISK MANAGEMENT

The VCS Inc Risk Management Policy and Procedure is based on the risk management process outlined in the Australian and New Zealand Standard for Risk Management – AS/NZS 4360:2004. VCS Inc has developed and maintains a Risk Management Plan that assists in it managing its risks by providing it with a systematic process to identify, mitigate and control the risks that may affect its operations.

PRIVACY

VCS appreciates that it holds sensitive personal health information and has strict confidentiality practices in place to protect privacy. Personal and health information held about an individual is used for the following purposes:

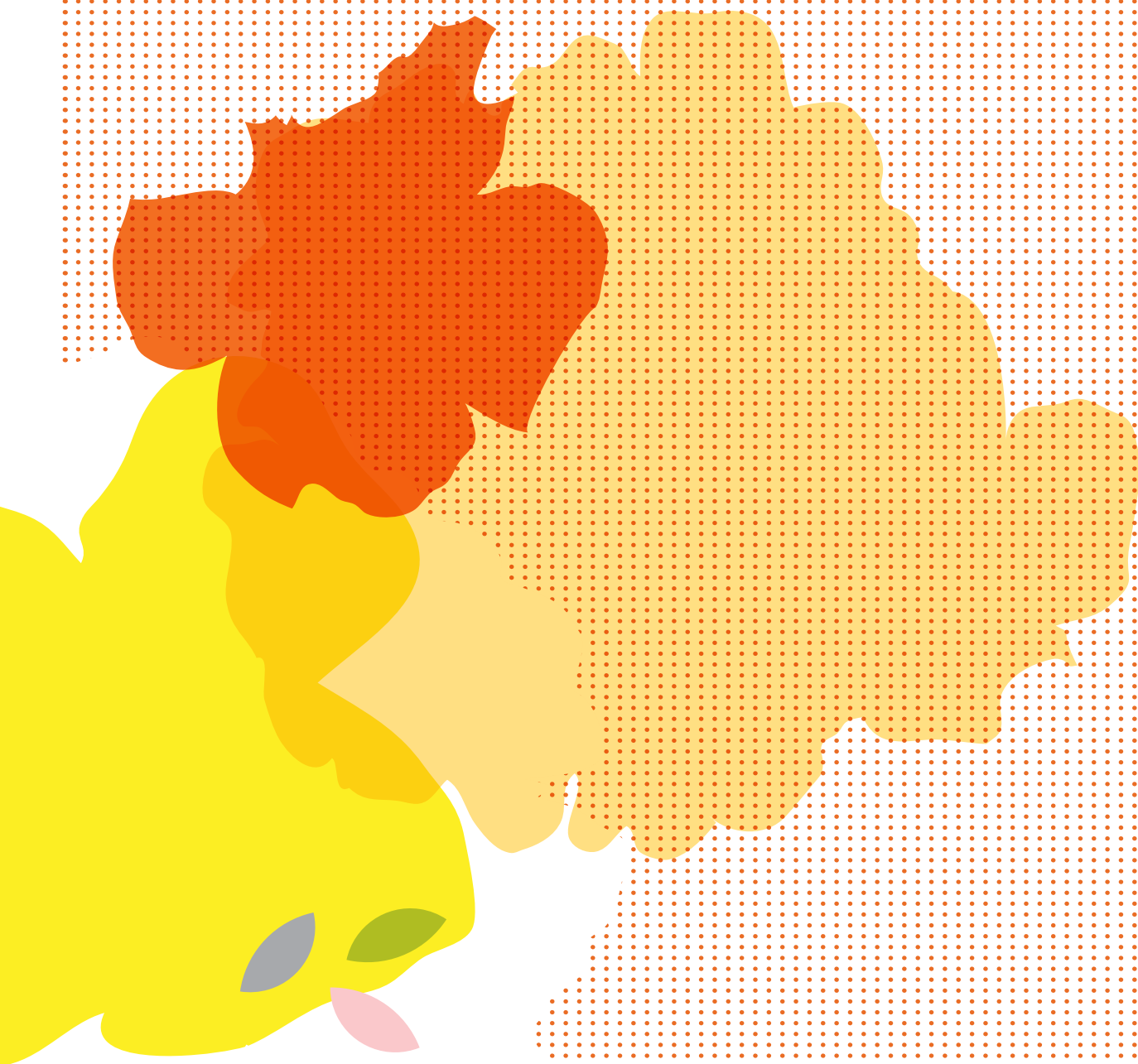
- i. Reporting the pathology test that has been ordered;
- ii. Charging for services (where appropriate);
- iii. The Victorian Cervical Cytology Registry (VCCR) to remind women or practitioners of overdue Pap tests.
- iv. Research to improve our knowledge, particularly of how to better prevent cancer of the cervix in women. No research publication identifies an individual person.

Our full privacy policy can be viewed on our website www.vcs.org.au

EQUAL EMPLOYMENT OPPORTUNITY

VCS Inc. is an Equal Employment Opportunity (EEO) employer and is a 'smoke free' workplace.

FINANCIAL REPORT 2009



TREASURER'S REPORT



Victorian Cytology Service Inc., encompassing the Victorian Cytology Service, the Victorian Cervical Cytology Registry and the National HPV Vaccination Program Registry experienced a successful year, producing a consolidated operating surplus of \$3,854,129. The surplus included capital funding to finance the cost of building the new HPV registry system at a cost of \$3million which was spread over two years and is now fully operational.

Victorian Cytology Service (VCS) experienced growth in revenue (excluding capital funding) totalling \$11.5m during the 2008/9 financial year this is a 7.3% increase when compared with 2007/8. The growth was generated from cervical cancer screening grants, cancer recruitment grants, trading activities, training courses and interest received. Revenue increased in all areas during the year except for a 20% decrease in ThinPrep testing in line with recent trends. The overall increase was due in the main to additional funding received from the Department of Human Services, an increase in interest received as a result of a higher level of funds invested, and significant growth in Chlamydia Hybrid Capture testing of 35% over the previous year. In addition, capital funding of \$409,000 was received to enable the purchase of vital laboratory equipment and to scope the upgrade of the patient records system. The operating funding was utilised to finance an increase in operating expenses of 13.9%, mainly attributable to an increase in staff costs.

The number of women screened for cervical cancer for the financial year was 289,669 (2008 297,012) well in excess of the target of 280,000.

Victorian Cervical Cytology Registry (VCCR) generated revenue from cancer surveillance grants, a research and monitoring grant, trading activities and interest (excluding capital funding) totalling \$1.2million during the 2008/9 year, equating to an increase of 4%. In addition, funding of \$406,105 was received to cover data linkage and literature review projects. Expenditure increased by 14.1% largely as a result of increased staff costs.

National HPV Vaccination Program Registry (NHVPR)

received funding of \$7.1 million during the year to cover the capital cost of building the new registry, and associated operating expenses required to establish and maintain the register and provide patient and GP services.

None of the activities could have been achieved without the valuable support provided by the Victorian and Australian Governments. The Department of Human Services provided funding during the year as in previous years, which enabled VCS and VCCR to continue their efforts to provide crucial and effective services in the area of women's health, including screening, education, the provision of well regarded cytology training to the profession and a confidential database of women's Pap test results in Victoria. The Department of Health and Ageing provided funding to establish and maintain a new registry to monitor females receiving the HPV vaccine as part of the national HPV vaccination program.

JULIANN BYRON

Treasurer

Victorian Cytology Service Inc.



VICTORIAN CYTOLOGY SERVICE INCORPORATED OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2008/9 \$	2007/8 \$
Revenue from operating activities	2	17,867,050	12,448,036
Revenue from non operating activities	2	590,085	440,382
Wages and salaries	4	(11,126,009)	(9,144,666)
Operating and administration costs	4	(4,045,875)	(2,060,804)
Medical supplies	4	(733,100)	(725,524)
Net result before capital items and specific items		2,552,151	957,424
Capital purpose income	2	2,307,849	1,938,593
Depreciation and amortisation	4	(997,484)	(435,791)
Loss on sale of non current assets	4	(8,387)	(337)
		1,301,978	1,502,465
OPERATING SURPLUS FOR THE YEAR		3,854,129	2,459,889

The accompanying notes form part of the financial statements.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

BALANCE SHEET AS AT 30 JUNE 2009

	Notes	2008/9 \$	2007/8 \$
Current assets			
Cash and cash equivalents	6	7,091,937	4,564,478
Financial assets	16	4,676,037	4,390,142
Trade and other receivables	7	312,093	626,478
Inventories	8	77,720	49,673
Other current assets	9	238,496	175,852
Total current assets		12,396,283	9,806,623
Non-current assets			
Plant, equipment & vehicles	10	1,706,952	1,806,768
Intangible assets	11	2,496,611	1,049,966
Total non current assets		4,203,563	2,856,734
Total assets		16,599,846	12,663,357
Current liabilities			
Unexpended grants	12	1,420,020	1,418,178
Payables	13	1,609,016	1,941,503
Provisions	14	2,362,420	1,997,655
Total current liabilities		5,391,456	5,357,336
Non-current liabilities			
Provisions	14	484,600	436,360
Total non current liabilities		484,600	436,360
Total liabilities		5,876,056	5,793,696
Net assets		10,723,790	6,869,661
Equity			
Retained surplus	15	8,926,550	6,869,661
Designated funds reserve	15	1,797,240	-
Total Equity		10,723,790	6,869,661

The accompanying notes form part of the financial statements.

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2009

	Retained Surplus \$	Designated Funds Reserve	Total Equity \$
Balance at 30 June 2007	4,369,772	-	4,369,772
Operating surplus for the year	2,499,889	-	2,499,889
Balance at 30 June 2008	6,869,661	-	6,869,661
Operating surplus for the year	3,854,129	-	3,854,129
Transfer	(1,797,240)	1,797,240	-
Balance at 30 June 2009	8,926,550	1,797,240	10,723,790

The accompanying notes form part of the financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2008/9 \$	2007/8 \$
Cash flows from operating activities			
Receipts			
Receipts from trading activities		1,670,292	1,197,271
Interest received		530,757	463,115
Receipts from grants		20,722,276	16,890,556
Payments			
Wages and salaries		(10,199,269)	(9,140,545)
Suppliers		(7,595,725)	(4,424,535)
Net cash inflow from operating activities		5,128,331	4,985,862
Cash flows from investing activities			
Payments for held to maturity investments		(285,895)	(1,502,474)
Purchase of plant and equipment		(2,455,149)	(2,272,912)
Proceeds from sale of plant and equipment		140,172	94,051
Net cash flow from investing activities		(2,600,872)	(3,681,335)
Net increase(decrease) in cash held		2,527,459	1,304,527
Cash and cash equivalents at the beginning of the financial year		4,564,478	3,259,951
Cash and cash equivalents at the end of the financial year		7,091,937	4,564,478
Reconciliation of net cash provided by operating activities to operating result			
Operating surplus(deficit)		3,854,129	2,499,889
Add depreciation and amortisation		997,484	435,791
Loss (profit) on sale of fixed assets		(29,338)	(6,854)
Change in operating assets/liabilities			
(Increase) decrease in accounts receivable and other assets		251,741	(334,320)
(Increase) decrease in inventories		(28,047)	(54,510)
(Decrease) increase in payables and unexpended grants		(330,643)	2,209,507
(Decrease) increase in provision for employee entitlements		413,005	236,359
		5,128,331	4,985,862

The accompanying notes form part of the financial statements.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Victorian Cytology Service Inc., an Association incorporated on 3 September 1991 in Victoria under the Associations Incorporation Act (Vic) 1981. Victorian Cytology Service Inc comprises the Victorian Cytology Service, the Victorian Cervical Cytology Registry and the National HPV Vaccination Program Register.

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Associations Incorporation Act (Vic) 1981.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The activities of the Victorian Cytology Service Inc. are exempt from income tax and payroll tax. Payments for fringe benefits tax are made in accordance with the relevant legislation.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in, first out principal

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Assets are capitalised when in excess of \$1,000.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the useful life of the asset commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5-50%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Other Financial Assets

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The organisation classifies its financial assets between current and non-current assets based on the purpose for which the assets are acquired. Management determines the classification of its other financial assets at initial recognition.

The organisation assesses at each balance date whether a financial asset or group of financial assets is impaired.

Held-to-maturity investments

Where the organisation has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses

(f) Impairment of Assets

At each reporting date, the organisation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the organisation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected future cash outflows.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less.

(i) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Government grants

Government grants relating to operational expenditure are recognised upon receipt from the Department of Human Services. Government funding from the Department of Health and Ageing in relation to the National HPV Registry contract is recognised when an invoice relating to the funding is generated. Grant monies are received to fund projects either for contracted periods of time or specific projects, irrespective of the period of time required to complete those projects. It is the policy of the organisation to treat grant monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide services in a subsequent financial period to when the grant is received, or in the case of specific project grants where the project has not been completed.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Critical Accounting Estimates and Judgments

The management evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation.

Key estimates – impairment:

The organisation assesses impairment at each reporting date by evaluating conditions and events specific to the organisation that may be indicative of impairment triggers. The recoverable amount of the relevant assets is reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements –provision for impairment of receivables:

A provision for impairment of trade receivables is established where there is evidence that the debts will not be collectible. Delinquency in payments (more than 60 days) is considered an indicator that the trade receivable is impaired. The directors do not believe the full amount of the trade receivables will be recoverable and accordingly, an impairment provision has been made at 30 June 2009.

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for the future reporting periods and which the organisation has decided not to early adopt. The following Standards, amendments to Standards and Interpretations have been identified as those which may impact the organisation in the period of the initial application. The revised AASB 101 *Presentation of Financial Statements (2007)* becomes mandatory for the organisation's financial report for the year ending 30 June 2010.

The revised AASB101 redefines the composition of financial statements including the inclusion of a statement of comprehensive income. It is anticipated that there will be no measurement or recognition impact on the organisation.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 2: REVENUE

	VCS 2008/9 \$	VCCR 2008/9 \$	NHVPR 2008/9 \$	TOTAL 2008/9 \$	VCS 2007/8 \$	VCCR 2007/8 \$	NHVPR 2007/8 \$	TOTAL 2007/8 \$
Revenue from operating activities								
Government grants								
Department of Human Services	9,767,111	1,486,791	-	11,253,902	9,188,831	1,180,504	-	10,369,335
Department of Health & Ageing	-	-	5,610,551	5,610,551	-	-	1,423,554	1,423,554
Indirect contributions by Department of Human Services	3 4,003	-	-	4,003	3,877	-	-	3,877
Patient fees	1,156,341	-	-	1,156,341	1,202,333	-	-	1,202,333
Other revenue from operating activities	146,512	28,939	2,513	177,964	-	12,601	2,414	15,015
	11,073,967	1,515,730	5,613,064	18,202,761	10,395,041	1,193,105	1,425,968	13,014,114
Transfer unexpended grants								
Capital funding transferred from prior year	-	-	396,078	396,078	-	-	-	-
Operating funding transferred to following year	(8,257)	(406,105)	(317,427)	(731,789)	-	(130,000)	(396,078)	(526,078)
	11,065,710	1,109,625	5,691,715	17,867,050	10,395,041	1,063,105	1,029,890	12,488,036
Revenue from non operating activities								
Bank interest	448,800	98,991	4,569	552,360	331,178	102,003	10	433,191
Profit on sale of non current assets	34,211	3,514	-	37,725	7,191	-	-	7,191
	483,011	102,505	4,569	590,085	338,369	102,003	10	440,382
Revenue from capital purpose income								
Department of Human Services	409,000	-	-	409,000	279,950	-	-	279,950
Department of Health & Ageing	-	-	1,564,980	1,564,980	-	-	2,347,463	2,347,463
	409,000	-	1,564,980	1,973,980	279,950	-	2,347,463	2,627,413
Transfer unexpended grants								
Capital funding transferred from prior year	101,719	29,000	612,150	742,869	150,000	53,280	-	203,280
Capital funding transferred to following year	(409,000)	-	-	(409,000)	(279,950)	-	(612,150)	(892,100)
	101,719	29,000	2,177,130	2,307,849	150,000	53,280	1,735,313	1,938,593
Total Revenue	11,650,440	1,241,130	7,873,414	20,764,984	10,883,410	1,218,388	2,765,213	14,867,011

NOTE 3: INDIRECT CONTRIBUTIONS BY HUMAN SERVICES VICTORIA

The Department of Human Services makes certain payments on behalf of the Service. These amounts have been brought to account in determining the operating results for the year by recording them as revenue and expenses.

NOTE 4 (a): EXPENSES	VCS 2008/9 \$	VCCR 2008/9 \$	NHVPR 2008/9 \$	TOTAL 2008/9 \$	VCS 2007/8 \$	VCCR 2007/8 \$	NHVPR 2007/8 \$	TOTAL 2007/8 \$
Wages and salaries	9,374,406	741,695	1,009,908	11,126,009	7,912,107	744,803	487,756	9,144,666
Operating and administration costs	1,354,970	297,505	2,393,400	4,045,875	1,127,213	278,549	655,042	2,060,804
Medical supplies	733,100	-	-	733,100	725,524	-	-	725,524
Depreciation and amortisation	3 381,278	56,768	559,438	997,484	408,155	17,355	10,281	435,791
Loss on sale of non current assets	7,944	443	-	8,387	-	337	-	337
	11,851,698	1,096,411	3,962,746	16,910,855	10,172,999	1,041,044	1,153,079	12,367,122

NOTE 5: OPERATING EXPENSES

	2008/9 \$	2007/8 \$
The net result has been determined after:		
Auditors remuneration - auditing the accounts	13,750	10,000
Rental expenses on operating leases	-	6,209

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	92,522	109,275
Deposits at call	6,999,415	4,455,203
	7,091,937	4,564,478

NOTE 7: TRADE AND OTHER RECEIVABLES

Current

Trade debtors and accrued revenue	206,195	532,918
Provision for impairment of receivables	(9,277)	(11,457)
	196,918	521,461
Interest receivable	115,175	105,017
	312,093	626,478

VICTORIAN CYTOLOGY SERVICE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 8: INVENTORIES

	2008/9 \$	2007/8 \$
Medical and surgical supplies	77,720	49,673
	77,720	49,673

NOTE 9: OTHER CURRENT ASSETS

Prepayments	238,496	175,852
	238,496	175,852

NOTE 10: PLANT, EQUIPMENT & VEHICLES

Plant and equipment at cost	4,128,569	4,077,762
Accumulated depreciation	(2,832,558)	(2,715,195)
Written down value	1,296,011	1,362,567
Leasehold improvements at cost	145,798	141,358
Accumulated amortisation	(50,953)	(2,839)
Written down value	94,845	138,519
Vehicles at cost	447,081	448,898
Accumulated depreciation	(130,985)	(143,216)
Written down value	316,096	305,682
Carrying amount at the end of the year	1,706,952	1,806,768

Movement in Carrying Amounts	Plant & equipment	Motor Vehicles	Leasehold Improvements	Total
Balance at the beginning of the year	1,362,567	305,682	138,519	1,806,768
Additions	398,302	223,861	4,440	626,603
Disposals	(7,402)	(103,432)	-	(110,834)
Depreciation	(457,456)	(110,015)	(48,114)	(615,585)
Carrying amount at the end of the year	1,296,011	316,096	94,845	1,706,952

NOTE 11: INTANGIBLES

	2008/9 \$	2007/8 \$
Software and licences at cost	3,096,621	1,268,072
Accumulated amortisation	(600,010)	(218,106)
Carrying amount at the end of the year	2,496,611	1,049,966

Movement in Carrying Amounts	Software	Licences	Total
Balance at the beginning of the year	943,267	106,699	1,049,966
Additions	1,827,848	698	1,828,546
Amortisation	(369,850)	(12,051)	(381,901)
Carrying amount at the end of the year	2,401,265	95,346	2,496,611

NOTE 12: UNEXPENDED GRANTS

Capital funding transferred to following year	587,231	892,100
Operating funding transferred to following year	832,789	526,078
	1,420,020	1,418,178

NOTE 13: PAYABLES

Current		
Trade creditors	447,101	910,827
Other creditors	1,161,915	1,030,676
	1,609,016	1,941,503

NOTE 14: PROVISIONS

Employee benefits		
Current		
Provision for annual leave - short term	770,564	684,420
Provision for annual leave - long term	295,221	242,431
Provision for long service leave	1,170,792	944,961
Provision for sabbatical leave	125,843	125,843
	2,362,420	1,997,655
Non-Current		
Provision for long service leave	484,600	436,360
	484,600	436,360
Employee numbers		
Average number of employees during the financial year	144	129



VICTORIAN CYTOLOGY SERVICE INCORPORATED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 15: EQUITY

Details of equity

Retained surplus

The retained surplus represents the funds of the association that are not designated for particular purposes.

Designated funds reserve

The capital funds represent the capital funding received to cover the cost of developing the NHVPR register, the major component being the HVRIS information system. The amortisation of HVRIS will be allocated against the capital funds over the expected life of the system.

NOTE 16: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The organisation's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The organisation does not have any derivative instruments at 30 June 2009

Treasury Risk Management

An Audit Committee consisting of Board of Governance members meet on a quarterly basis to analyse financial risk exposure and to confirm that the organisation is complying with Financial Risk Management Policies.

The committee's overall risk management strategy seeks to assist the organisation in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Audit Committee operates under policies approved by the Board. Risk management policies are approved and reviewed by the committee on a regular basis.

These include the use of fraud prevention policies and future cash flow requirements.

Financial Risk Exposures and Management

The main risks the organisation is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

All investments of the organisation are with Westpac Banking Corporation.

Liquidity risk

The organisation manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2009

Credit risk is managed and reviewed regularly by the Audit Committee. It arises from exposure to customers and deposits with financial institutions.

The Audit Committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an "AA" rating are utilised;
- all potential members are rated for credit worthiness taking into account their particular circumstances and financial standing; and

At year end the organisation does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the organisation.

Price risk

The organisation is not exposed to any material commodity price risk. The trade receivables as 30 June 2009 do not include any counterparties with external credit ratings. Customers are currently purchasing in cash, bank cheques or money orders - no credit is given.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile with the Balance Sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		Non-Interest Bearing		Total	
	2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets										
Cash & cash equivalents	4.5	6.6	7,091,937	4,563,608	-	-	870	7,091,937	4,564,478	
Trade & other receivables	-	-	-	-	-	-	312,093	626,478	312,093	626,478
Investments - Term Deposits	6.9	6.7	-	-	4,676,037	4,390,142	-	-	4,676,037	4,390,142
Total Financial Assets			7,091,937	4,563,608	4,676,037	4,390,142	312,093	627,348	12,080,067	9,581,098
Financial Liabilities										
Trade creditors and accruals	-	-	-	-	-	-	1,609,016	1,941,503	1,609,016	1,941,503
Total Financial Liabilities			-	-	-	-	1,609,016	1,941,503	1,609,016	1,941,503
Net Financial Assets/(Liabilities)			7,091,937	4,563,608	4,676,037	4,390,142	(1,296,923)	(1,314,155)	10,471,051	7,639,595

Trade and sundry payables are expected to be paid as follows:	2009 \$	2008 \$
Less than 6 months	1,609,016	1,941,503
	1,609,016	1,941,503

(c) Net Fair Values

The organisation has no listed investments at 30 June 2009.

The net fair value for other assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The organisation holds no financial assets where the carrying amount exceeds net fair values.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 16: FINANCIAL INSTRUMENTS *(continued)*

	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets				
Held to maturity financial assets at fair value	4,676,037	4,676,037	4,390,142	4,390,142
	4,676,037	4,676,037	4,390,142	4,390,142

Fair values are materially in line with carrying values.

Sensitivity analysis

Interest rate risk

The organisation has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2009 \$	2008 \$
Change in profit		
- Increase in interest rate by 1%	117,680	89,546
- Decrease in interest rate by 2%	(235,360)	(179,092)
Change in equity		
- Increase in interest rate by 1%	117,680	89,546
- Decrease in interest rate by 2%	(235,360)	(179,092)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the organisation is not exposed to foreign currency functions.

NOTE 17: SEGMENT REPORTING

The organisation operates in the health sector providing cytology and a registry service to the public within Victoria, in addition to a national registry for HPV vaccinations.

NOTE 18: ASSOCIATION DETAILS

The principal address of the business of the Association is:

Victorian Cytology Service Inc.
752 Swanston Street
Carlton South, Vic. 3053

NOTE 19: RELATED PARTIES

The names of persons who were Board members at any time during the year are set out in the Annual Report.

There were no transactions that require disclosure for the year ended 30 June 2009.

The Directors did not receive any remuneration during the financial year ended 30 June 2009.

Key management personnel compensation	2008/9 \$	2007/8 \$
Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of Victorian Cytology Service Inc.		
Short term employee benefits	885,072	907,640
Post-employment benefits	52,843	51,248
	937,915	958,888

NOTE 20: DEFINED BENEFIT SCHEME

The organisation contributes to a Defined Benefit Scheme maintained by Health Super Fund and has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefits liability.

The trustee of the Scheme has determined that the **notional** excess net assets attributable to the staff who are members of the scheme for the year ended 30 June 2009 total \$24,629. The actuary has advised that the contributions will remain unchanged for the current year.

NOTE 21: COMMITMENTS

No significant events have occurred since reporting date.	2008/9 \$	2007/8 \$
Lease commitments		
The organisation has leased office premises under a non-cancellable operating lease expiring within five years with renewal rights. On renewal, the terms of the lease will be renegotiated.		
Commitment in relation to the lease contracted for at the reporting date but not recognised as a liability, payable:		
Within one year	107,356	103,227
Later than one year but not later than five years	92,426	199,782
	199,782	303,009

NOTE 22: CONTINGENT LIABILITIES

There were contingent liabilities at 30 June 2009 as a result of unexpected changes to the classifications in the 2009 AMA Heads of Agreement for all Specialists employed in public hospitals. Since the organisation's Specialists are in the process of negotiating salary rates in line with public hospitals it is anticipated that an additional \$30,000 expense will be incurred.

NOTE 23: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events have occurred since reporting date.

AGENCY CERTIFICATION



Victorian Cytology Service

Victorian Cytology Service
Incorporated ABN 35 430 554 780
PO Box 178, Carlton South,
Victoria 3053 Australia
Telephone: +61 3 9250 0300
Facsimile: +61 3 9349 1949
Director: Marion Saville MBBCh,
An Bd (Anat Path & Cytopath), FIAC,
Grad Dip Med (Clin Ep),
www.vcs.org.au

AGENCY CERTIFICATION

Manager's Annual Certificate

We certify that Victorian Cytology Service Inc. has complied with the terms and conditions of the Service Agreement dated 26 June 2009 and has expended funding received from the Department of Human Services on the services as specified in schedule 3 of that Agreement.

We certify that Victorian Cytology Service Inc. is a financially viable Agency able to continue to provide services on behalf of the Department of Human Services.

We certify that Victorian Cytology Service Inc. is required to produce audited financial statements and has adhered to the relevant incorporation governing legislation in respect of financial account preparation and lodgment and any other requirements as specified by the relevant governing legislation.

We certify that the attached Financial Accountability Requirements Statement for Victorian Cytology Service Inc. (the Agency) for the year ended 30 June 2009

- ❖ fairly presents the financial position for the year then ended and performance as at 30 June 2008 as required by the Department of Human Services
- ❖ the statements have been extracted from the accounting records of the Organisation which have been prepared on the basis of accounting policies consistent with applicable Australian Accounting Standards (AAS) and/or Australian Accounting Standards Board (AASB) and
- ❖ are GST exclusive for the Income Statement

Dr Peter Grant
Chairperson

Date: 13/11/2009

Mr. Mark Van Zuylekom
Director – Corporate Services

Date: 13/11/2009

INDEPENDENT AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTORIAN CYTOLOGY SERVICE INC.

Report on the Financial Report

We have audited the accompanying financial report of Victorian Cytology Service Inc. which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the accounts.

Directors' Responsibility for the Financial Report

The directors of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act (Vic) 1981. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion:

The financial report of Victorian Cytology Service Inc. is in accordance with the Associations Incorporation Act (Vic) 1981 including:

- giving a true and fair view of the Association's financial position as at 30 June 2009 and of its performance and its cash flows for the year ended on that date; and
- complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act (Vic) 1981.

WHK Horwath

WHK Horwath Melbourne

Margaret D. Crossley

Margaret D. Crossley

Address: Melbourne

Dated this 13th day of November 2009

Member Crowe Horwath International

Level 32, 80 Collins Street
Melbourne, Victoria 3000

GPO Box 4324
Melbourne, Victoria 3001

T +61 3 9258 6700

F +61 3 9258 6722

mel@whk.com.au

www.whk.com.au

WHK Horwath Melbourne
ABN 48 099 415 845

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