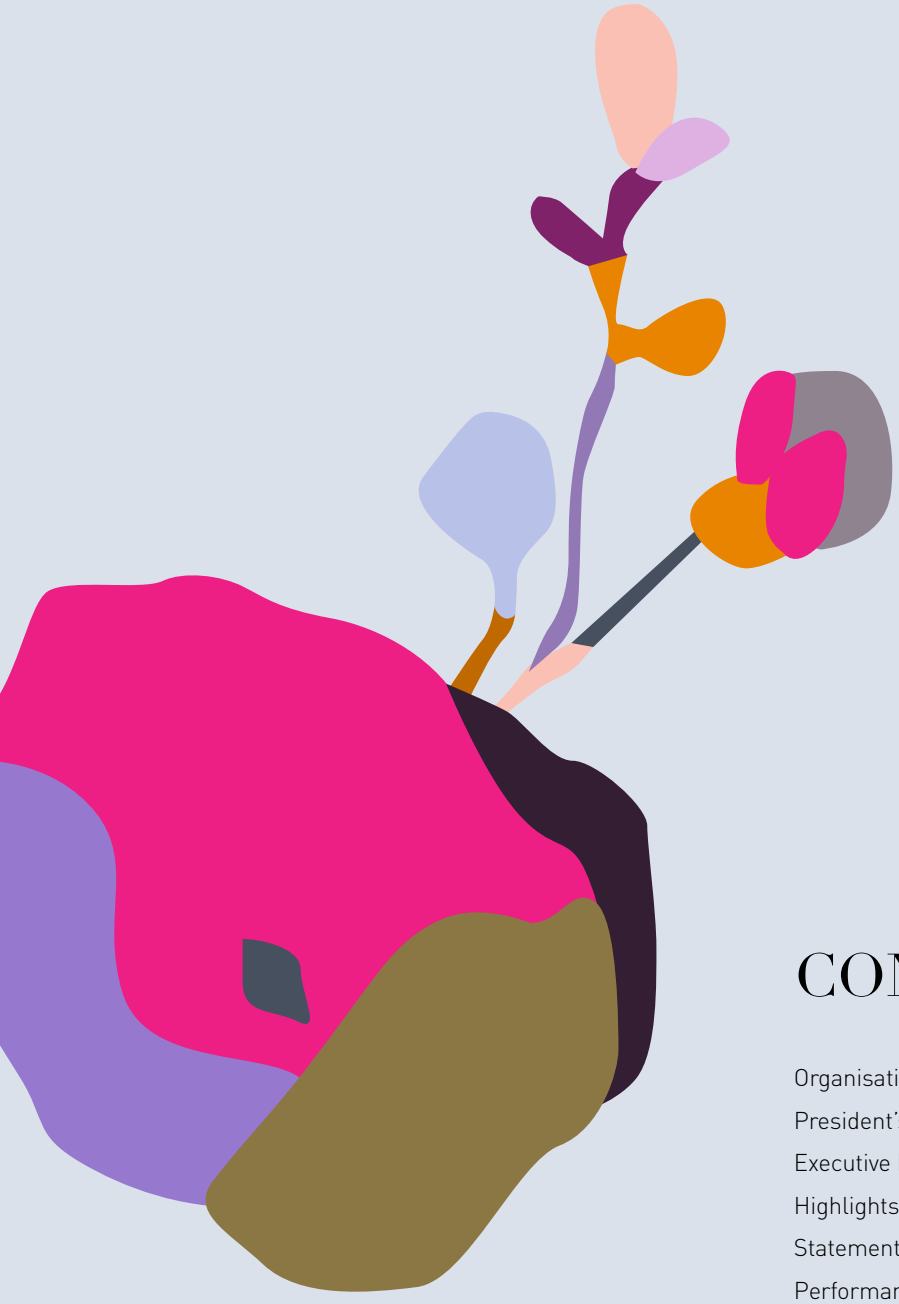
Victorian Cytology Service

ANNUAL REPORT 2011



CONTENTS

Organisational Overview	2
President's Report	3
Executive Director's Report	4
Highlights	6
Statement of Strategic Intent	8
Performance Indicators	16
Executive Officers	19
Senior Officers	20
Board Members	20
Victorian Cervical Cytology Registry Report	22
National Human Papillomavirus Vaccination Program Register Report	23
The Organisation	25
Financial Report	27
Treasurer's Report	28
Statement of Comprehensive Income	29
Balance Sheet	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to and forming part of the Financial Statements	33
Agency Declaration	43
Independent Audit Report	44

Victorian Cytology Service

National HPV Vaccination Program Register

Victorian Cervical Cytology Registry

OUR 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.

STATEMENT OF STRATEGIC INTENT

VCS Inc. in conjunction with the Board of Directors has developed a Strategic Plan for the 2009-2012 period. The objectives of the plan are to achieve our vision which includes growth and expansion into new technologies, whilst maintaining high standards of core service. The plan includes a Statement of Strategic Intent focussed around 5 Key Objectives. The activities of VCS Inc. around these objectives will be summarised in the Annual Reports.

1. Obtain a higher share of the Chlamydia market to position the organisation for a possible National Chlamydia Screening Program.
2. Establish a unit for policy driven Research and Program Evaluation relevant to the Vision.
3. Broaden the focus of the current brand to allow for the specified opportunities contained within the plan as well as possible future opportunities.
4. Be ready to successfully tender for a possible National Cervical Screening Register.
5. Have the building and IT systems in place to support the planned activities.

ORGANISATIONAL OVERVIEW

ABOUT VICTORIAN CYTOLOGY SERVICE INCORPORATED (VCS INC.)

Victorian Cytology Service Incorporated (VCS Inc.) is a Health Promotion Charity whose origins centre on the provision of laboratory testing and registry services for the Cervical Screening Program and the National Human Papillomavirus Vaccination 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. Since its establishment VCS Inc. continues to expand geographically, with new technologies, and with the possibility of providing a screening registry that would cover other cancers whose impact may be minimised by screening.

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 smears in Australia. Commonwealth and State funding ensures that the Pap screening service is provided free of charge to women.

The organisation has expanded its core testing to include– 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 smear 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 supporting the complete vaccination of young women electing to be vaccinated and in monitoring and evaluating the HPV vaccination program. These outcomes are achieved through the registration of immunisation providers, the generation of individual consumer immunisation records, producing follow ups and reminders, 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.
- 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 smears 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, registry and support services employ approximately 150 staff in a variety of roles, including, administration, clerical, scientific, medical, courier, information technology and customer service staff.

PRESIDENT'S REPORT

It is a pleasure to report on behalf of the Board that this has been another successful year for VCS Inc. The hard work and dedication of the staff at every level of the organisation has ensured that VCS continues to make a major contribution to the health of our community.

As shown in this Annual Report the organisation has set strategic goals, and reports against them. As well as building on excellent foundations, these goals focus on the future in a landscape of rapidly changing technology and practices in the areas of cervical cancer prevention and women's health. The introduction of HPV vaccination will undoubtedly have effects on screening practices in time. VCS is ready to embrace and explore opportunities to continue its role as a leader in women's health services.

The mainstay of VCS activity since1965 has been Pap smear reporting, and VCS has kept its market share, reporting more than half the Pap smears performed in Victoria. Laboratory services also include histology reporting, HPV testing and chlamydia testing. VCS is increasing awareness about chlamydia infection by way of information packs and education for practitioners, as well as other projects. VCS provides high quality and timely laboratory services to help decrease the incidence of this disease.

Registry services include the Victorian Cervical Cytology Registry (VCCR) and the National Human Papillomavirus Vaccination Program Register (NHVPR). Last year the VCCR marked its 20th anniversary, also celebrating a significant decline in incidence of cervical cancer since its inception. Building on this strong foundation VCS has combined the resources of VCCR, NHVPR, and its talented researchers in exciting new projects and publications that will help inform decisions about cervical cancer prevention worldwide. In particular, congratulations must go to all those concerned with the article "Early impact of the HPV Vaccination program on cervical abnormalities in Victoria, Australia: an ecological study" published in The Lancet in June this year.

In 2008 VCS successfully tendered for and developed the first ever National HPV Vaccination Program Register. This year VCS signed a contract with the Commonwealth Government to continue this service for a further four years.

As in all organisations, much happens behind the scenes. In particular the Board is aware of the great work of the IT department who this year undertook and delivered large projects that are vital to the future of VCS.

The Director, Marion Saville, her executive team and the staff of VCS have achieved a great deal this year. Their dedication and commitment to the work they do for this organisation – and therefore the community – is witnessed and appreciated by the Board members. We look forward to continuing to work with them.

JANE COLLINS
President – VCS Board of Directors

EXECUTIVE DIRECTOR'S REPORT

I am proud to report that the Victorian Cytology Service has successfully delivered against its vision in 2010/11 *"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"*.

The laboratory's core service of Pap smear reporting has continued in a steady state with 298,555 Pap smears reported in 2010/11 representing over half of the Pap smears taken in Victoria. This important service to the women of Victoria was further complemented by a number of key achievements accomplished during the year.

Firstly I would like to congratulate Dr Julia Brotherton, Director – National Human Papillomavirus Vaccination Program Register (NHVPR) on her article in the Lancet (June 2011). This article, an analysis of data from the Victorian Cervical Cytology Registry (VCCR) between 2003 and 2009 showed that after the introduction of the vaccination programme in 2007, there has been a decrease recorded in the incidence of High Grade Abnormalities by 0·38% (95% CI 0·61–0·16) in girls younger than 18 years. This is the first report of a decrease in incidence of High Grade Abnormalities within 3 years after the implementation of a population-wide HPV vaccination programme. We are optimistic that this is an indication that the vaccine program is already beginning to have an impact. However, more work is needed to link this lower incidence firmly to vaccination status. This work could not be done without the efficient operation and cooperation of the VCCR. Congratulations also to A/Prof Dorota Gertig – Director of the VCCR and co-author of the study and the staff of the Registries on this exciting release of data.

The introduction of Polymerase Chain Reaction (PCR) Chlamydia testing at VCS combined with increased education sessions to GPs through our Liaison Physicians has seen a 48% increase in the number of Chlamydia tests received. It is estimated that 80% of women in the relevant age group see a GP annually however only 7% are tested. Chlamydia infection is the most common, curable STI in Australia and we hope to further reduce the incidence in the population by providing GPs with resources and testing kits, specifically targeting the under 25 age group. The staff at VCS have streamlined the handling processes of this test and I am pleased to report, even with increased volumes, they have been able to turn around the tests within the laboratory in under two days. I would like to extend my thanks to the Marketing Team, Central Laboratory Staff and Liaison Physicians who have all significantly contributed to the growth in this area.

VCS delivered the RMIT undergraduate and post graduate courses in Cytopathology to more than 90 students, receiving a very favourable good teaching score. VCS also hosted the annual Gynaecological Cytology Courses with 14 registrants including pathologists and scientists from Australia and overseas, attending lectures and presentations delivered by our staff over a two week period in July 2010. We provided an education session hosted by the VCS pathologists for 26 Registrars preceding their RCPA Part 1 and Part 2 exams. These sessions are run annually, are unique and are held over a weekend, a time when the Registrars are more likely to be able to attend.

The key achievements I have touched on are just some of the many activities undertaken by the Service during the year. They would not have been possible without the support of the Senior Management and staff at VCS for which I would like to thank everyone for their hard work during the year. It has been, and continues to be, a pleasure to lead a team of such dedicated staff.

Finally, I would like to thank the VCS Board of Directors, led by Dr Jane Collins, who show true commitment by voluntarily giving their time and sharing their expertise resulting in sound governance of the organisation.

A/PROF MARION SAVILLE
Executive Director

COPAN
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HIGHLIGHTS

PAP SMEAR REPORTING

The core service of VCS remains strong with 298,555 Pap smears reported in 2010/11, representing a market share of 51.3% compared to 50.8% in the previous year.

CHLAMYDIA TESTING USING POLYMERASE CHAIN REACTION (PCR)

Since the introduction of PCR testing for Chlamydia in 2010, the test numbers received at VCS have continued to grow. The Liaison Physicians are providing education campaigns to clinicians and Pap smear providers which are supported by a suite of resources including: Under 25 Chlamydia Packs, Testing for Chlamydia DVD's, brochures for women, Posters for GPs and Nurses and a more streamlined mailing system that has improved the Chlamydia testing turn-around time.

EDUCATION

The Senior Liaison Physician, Dr Stella Heley and Liaison Physicians, Dr Siobhan Bourke and Dr Larissa Roeske delivered in excess of 108 educational updates and presentations to a combined audience of more than 2,013 GPs, Registrars, Nurses, Midwives and Secondary School students during the year. The education sessions cover the cervical screening program, the HPV (Human Papillomavirus) vaccine, and testing for Chlamydia trachomatis and are tailored to suit the requirements of individual practitioners, medical practices or conference audiences.

CULTURAL AND LINGUISTIC DIVERSITY (CALD)

The Cytology Information System (CIS) has been modified in response to a widely recognised need for a nationally consistent framework for the collection and dissemination of data on cultural and language diversity and allows collection of the following additional data elements:

- Country of birth
- Language spoken at home

Initially this data will be collected by Victorian Nurse Pap smear providers. Country of Birth and Language other than English spoken at home data (CALD status) will be indicated on referral forms sent to VCS. This data will be used to inform planning, statistical and research purposes and to report on Victorian Cancer Action Plan targets to the Department of Health (Vic).

RMIT

The Cytopathology 1 course was delivered to 70 students and achieved 67.1 on the Good Teaching Scale for the undergraduate course and 59.5 for the postgraduate course. This score compares favourably with scores from similar RMIT subjects and is higher than in previous years, reflecting the commitment of VCS External Teaching staff to responding to feedback and improving the course. Advanced Cytopathology/ Cytopathology 2 was delivered to 25 students and achieved 72.8 on the Good Teaching Scale. This score continues to reflect the high level of student satisfaction for the quality of VCS teaching and VCS teaching resources.

VCCR

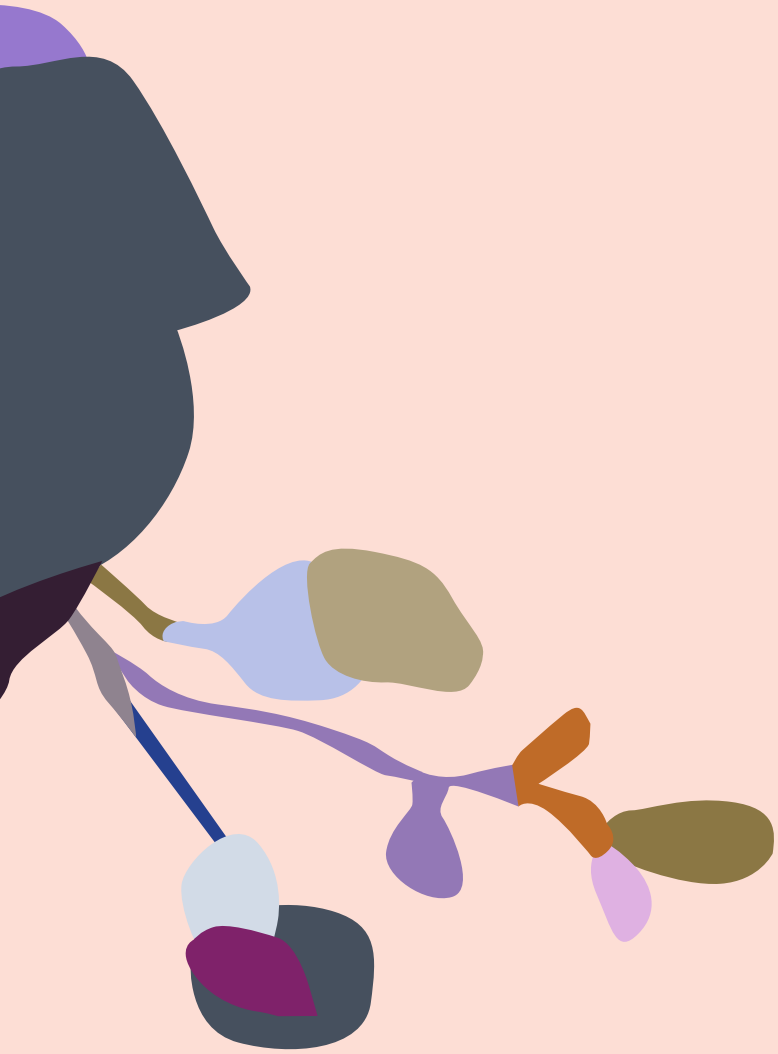
As a further safety net VCCR are now sending a Second Reminder Letter when a woman's Pap smear is overdue. For the majority of women this letter will be sent 36 months after their last normal smear or 9 months after the first reminder letter sent at 27 months. A number of resources have been redeveloped and updated, based on feedback from focus group testing undertaken by PapScreen Victoria, including the first reminder letter, VCCR information brochure, and letters sent to women who have apparently not had follow up on abnormal Pap smears.

RANZCOG (Royal Australian & New Zealand College of Obstetricians Gynaecologists) in collaboration with VCCR has developed a Colposcopy Pilot aimed at establishing an accreditation and audit program for colposcopists, to improve the care of women who are referred for colposcopy and treatment of screen detected abnormalities. The pilot commenced during May with more than 27 volunteers consenting to be part of the study providing over 1000 colposcopy forms. The data collection will be completed at the end of July with reporting to participants scheduled for September.

NATIONAL HUMAN PAPILLOMAVIRUS VACCINATION REGISTER

The development of the HPV vaccine has been an exciting advance in the prevention of cervical cancer and at VCS we were very pleased to be selected by the Australian Government to establish and operate the National HPV Vaccination Program Register (NHVPR) in 2008. This national register records the details of girls and young women receiving the HPV vaccine and provides important infrastructure for cervical cancer prevention in Australia.

In June 2011 the Victorian Cytology Service signed an extension to the contract with the Commonwealth of Australia to continue to operate the National HPV Vaccination Program Register (NHVPR) for a further four years.



STATEMENT OF STRATEGIC INTENT

Through the implementation of activities associated with the Statement of Strategic Intent, VCS will maintain its core services whilst positioning itself to diversify in order to respond to changing technologies. Management will be guided by changes within the National Cervical Screening Program and the organisation is poised to take on the associated challenges. Following are the activities undertaken in 2010/11 against the five key objectives that form the Statement of Strategic Intent:

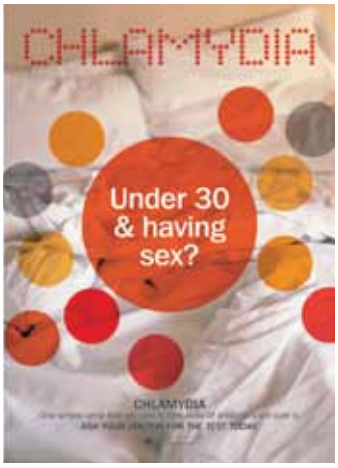
1

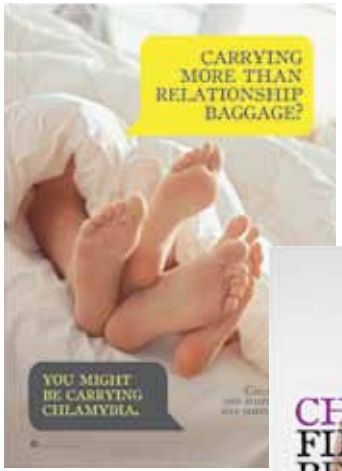
OBTAIN A HIGHER SHARE OF THE CHLAMYDIA MARKET TO POSITION THE ORGANISATION FOR A POSSIBLE NATIONAL CHLAMYDIA SCREENING PROGRAM

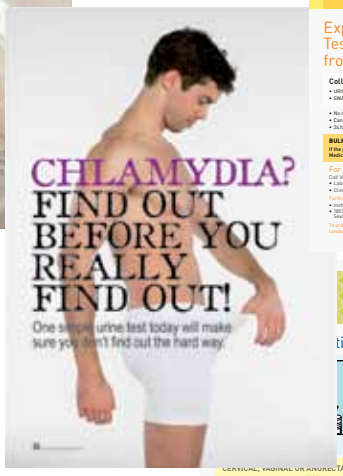
The introduction of PCR technology to VCS in 2010 allowed a simple method of testing for practitioners wishing to offer routine screening for Chlamydia to asymptomatic young women and men in a general practice or community health setting. The organisation is committed to offering this test at the bulk-billed rate as we believe that even a small co-payment would be a significant barrier to young people undertaking Chlamydia testing.

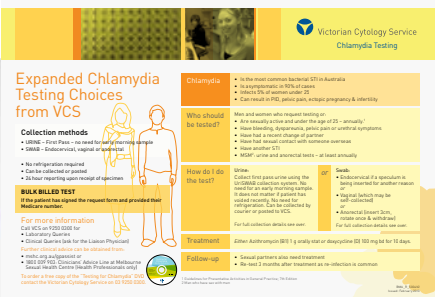
A number of activities were undertaken during the year including:

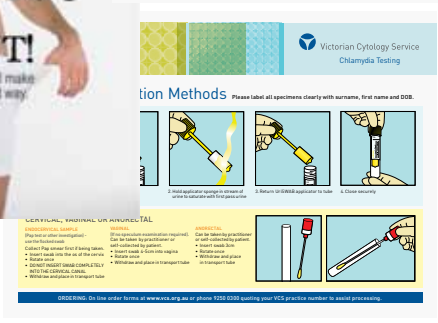
- Development and distribution of an Under 25's Chlamydia pack combining PCR and Pap smear consumables, Information card and Biohazard bag for transportation. These packs were sent to all VCS referring practitioners.
- Practice visits and education sessions highlighting the availability of bulk-billed tests at VCS.
- Efficiencies in mailing and handling within the laboratory significantly reducing the turn around time referring practitioners experience.
- Posters for use in clinics and waiting rooms.











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ESTABLISH A UNIT FOR POLICY DRIVEN RESEARCH AND PROGRAM EVALUATION RELEVANT TO THE VISION

A research and evaluation team led by Dorota Gertig and Julia Brotherton has been established to support the State Government's Cancer Action Plan 2008 – 2011 and other policy related research activites. The target of the plan is to improve participation rates in population-based cancer screening programs as a priority area, in particular among communities that have lower than average participation rates such as Aboriginal and Torres Strait Islander (ATSI) and Culturally and Linguistically Diverse (CALD) communities. The following activities have been undertaken:

Geographical Reporting study

The second phase of this study is underway and will involve analysis of data relevant to screening from the Victorian Population Health Survey, as well as analysis of GP data and bowel screening participation by small area level. An ethics application was approved for access to bowel screening data from Medicare Australia and this will be the first such data available to policy makers in Victoria.

Data linkage project

At present, participation in cervical screening in different community groups can't be measured because insufficient demographic data is collected in the National Cervical Screening Program. Demographic information, including information on ATSI and CALD status, is collected by several state and federal government agencies that administer health data. Combined information from these collections could help identify under-screened community groups; it could also enable the comparison of cancer screening in ATSI and CALD groups across cancer screening programs (cervical, breast and bowel).

This project explores the possibility of obtaining this information through the linkage of VCCR data with Indigenous and ethnic status data from other available registries, for example BreastScreen Victoria and the Victorian Admitted Episodes Data Set (VAED). Support and funding from the Department of Health (Vic) to proceed with this project has been obtained and ethics approval has been received. A commencement date has not been confirmed.

Community Action Research Project

The Department of Health (Vic) have funded a new project through the Cancer Plan to address underscreening issues at the community level. A working group, led by Dorota Gertig, has been established. The Social Research Centre has been engaged for the planning phase of the project and once the research questions are finalized, will conduct the research in the selected communities.

ADDITIONAL RESEARCH PROJECTS

Early assessment of HPV infection post vaccination

Dr Julia Brotherton is a Chief Investigator on this Cancer Council and NHMRC funded grant (2010) with RWH Dept Micro and Family Planning Vic and NSW. The study is progressing.

Analysis of high-grade cervical abnormalities by endocervical status on Pap smear

The rates at which Pap smears contain an endocervical component has been declining in Victoria and in other Australian jurisdictions for over a decade. It is not clear whether this is important and what the underlying causes are. Victorian Cervical Cytology Register data will be used to explore trends in endocervical component over time. Ethics approval has been received and data extracted, awaiting analysis from the University of Melbourne.

Juvenile Onset Recurrent Respiratory Papillomatosis (RRP): retrospective audit of cases in NSW, Australia, to establish disease incidence and disease burden pre vaccination

Dr Julia Brotherton is a Chief Investigator on this study funded by a Merck Investigator Initiated grant for 2010.

Incidence of cervical abnormalities study

Using VCCR data the research team at VCS Registries published this study in the Lancet, the first study to show a reduction in high-grade cervical abnormalities (HGAs—the precursors to cervical cancer) in a population of women following introduction of human papillomavirus (HPV) vaccination programs. More work is needed to link this lower incidence definitively to vaccination status. The release of the article generated significant national and international media attention.

ARC HPV modelling grant (HELPA)

- Continuing involvement in this collaboration
- Work from the group was presented at the International Papillomavirus Conference 2010 and 2011 and Public Health Association of Australia (PHAA) immunisation conference
- Two papers co-authored by Dr Julia Brotherton were accepted to be published
- Dr Julia Brotherton was lead author on a letter to Australia and New Zealand Journal of Public Health (ANZJPH), in press.

Pilot study of the use of Medicare denominator data for coverage analysis NHVPR

- Data obtained from Medicare
- Analysis underway and paper to be written comparing ABS with Medicare data

Effects of socio-economic status on HPV vaccine coverage and cervical screening participation in Victoria

Existing disparities in cervical screening in the context of socio-economic disadvantage are well known, however as HPV vaccination programs are rolled out worldwide it is timely to also compare the relationship between socio-economic status and vaccination coverage. Research has been undertaken within the registries to examine this relationship and compare the findings against cervical screening participation in Victoria. The results were presented as a poster at the Communicable Diseases Conference in Canberra – April 2011 and a paper is currently in preparation.

Study of GP immunisation coordinators to determine characteristics of practices who did not notify HPV doses

- Approval from the Department of Health and Ageing was received in the second half of 2010. An online survey was conducted with the data analysed and presented at the Communicable Diseases Conference in Canberra – April 2011.

Study of GP immunisation coordinators to determine characteristics of practices who did not notify HPV doses.

- A paper is in preparation

WHINURS study

- Dr Julia Brotherton is a Chief Investigator on this large collaborative study of HPV prevalence in Indigenous and non Indigenous women
- The results of this study were presented at the International Human Papillomavirus Conference in 2010
- A paper has been accepted to be published by BMC Medicine.

Victorian CATI with PapScreen Victoria (includes HPV vaccination coverage and attitudes)

- The results of this study was presented at the International Human Papillomavirus Conference in 2010
- A paper has been prepared and submitted.

Management of high-grade cervical abnormalities

Dr Jeff Tan from the Royal Women's Hospital is conducting his sabbatical at the VCCR with Dorota Gertig. An ethics application has been approved for study "Management of high grade CIN, treatment modalities, compliance with follow-up recommendations and outcomes". Karen Canfell from NSW Cancer Council will collaborate on the analysis.

CeCaGeeN Study

Dorota Gertig is Chief Investigator B on this NHMRC and Cancer Council funded grant. The study has successfully recruited more than 2000 twin pairs from Victoria, New South Wales, Queensland and Western Australia. An oral paper was accepted for the International Human Papillomavirus Conference 2011 in Berlin.

Data Linkage Proposal – NHVPR – VCCR de-identified research dataset to assess vaccine effectiveness and screening participation in vaccination women

An endorsement for this proposal has been received from the Victorian Department of Health. An ethics application is in preparation.

Surveillance for Recurrent Respiratory Papillomatosis (RRP) in Australia

Dr Julia Brotherton is an investigator on this Australian Paediatric Surveillance Unit study to initiate surveillance for the incident cases of juvenile onset of RRP in Australia. Ethics approval has been given and final materials prepared. An application for funding the HPV typing component has been submitted.

National CATI survey to estimate HPV vaccination coverage in the catch up program among adult women

This is a collaborative project with The Kirby Institute. A pilot study has been completed and the paper has been submitted. A full study is expected to commence in August 2011.

Victorian Cancer Agency Tumour Stream Translational Research Funding Grant *"Monitoring the effectiveness of the Australian Cervical Cancer Vaccine Program"*

- Julia Brotherton, Dorota Gertig and Marion Saville are co-investigators with Prof Suzanne Garland on this study.
- Ethics approval has been granted, the study protocol finalised and recruitment has commenced.

Pilot study of HPV self sampling

- A PhD student will commence work with A/Prof Dorota Gertig and Dr Julia Brotherton, in collaboration with A/Prof Dallas English, to work on a pilot study of HPV self sampling in Victoria.

GRANTS SUBMITTED FOR FUNDING

- Julia Brotherton is an Associate Investigator on a NHMRC project grant with Chief Investigator (A) Rachel Skinner 'Randomised Controlled Evaluation of a Complex Intervention to Promote Uptake of School-based HPV Vaccination'

PAPERS PUBLISHED

1 Brotherton, JML, Fridman M, May C, Chappell, G, Saville M, Gertig DM. Early impact of the HPV vaccination program on cervical abnormalities in Victoria, Australia: an ecological study. The Lancet 2011; 377: 2085–92.

2 Brotherton J, Gertig D, Chappell G, Rowlands L, Saville M. Catching up with the catch- up: HPV vaccination coverage data for Australian women aged 18-26 years from the National HPV Vaccination Program Register. Commun Dis Intell 2011; 35(2):197–201.

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4 Garland SM*, Brotherton JM*, Condon JR, McIntyre PB, Stevens MP, Smith DW, Tabrizi SN. Human papillomavirus prevalence amongst Indigenous and non-Indigenous Australian women prior to a national HPV vaccination program. BMC Med. 2011 9(1):104.(* joint first authors)

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7 Wong CA, Saraiya M, Hariri S, Eckert L, Howlett RI, Markowitz LE, Brotherton JML et al. Approaches to Monitoring Biological Outcomes for HPV Vaccination: Challenges of Early Adopter Countries. Vaccine 2011;29:878–885.

8 Cooper Robbins SC, Bernard D, McCaffery K, Brotherton JML, Skinner SR."I just signed": Factors influencing decision making for school-based HPV vaccination. Health Psychology 2010;29:618-25.

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11 Jin F , Stein AN, Conway EL, Regan D, Law M, Brotherton JML, Hocking J , Grulich A. Trends in anal cancer in Australia, 1982-2005. Vaccine 2011;29:2322-7.

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13 Smith MA, Lew JB, Walker RJ, Brotherton JML, Nickson C, Canfell K. The predicted impact of HPV vaccination on male infections and male HPV-related cancers in Australia. Vaccine 2011; 29 (19):3577-3588.

3

BROADEN THE FOCUS OF THE CURRENT BRAND TO ALLOW FOR THE SPECIFIED OPPORTUNITIES CONTAINED WITHIN THE PLAN AS WELL AS POSSIBLE FUTURE OPPORTUNITIES

VCS Inc. has gone through a number of dramatic changes since its establishment in 1965. The Service has expanded to include the VCCR and NHVPR as well as broadening its laboratory focus to include HPV and Chlamydia testing. It therefore has become necessary for VCS Inc to revisit and revise its vision and statement of purpose, and to develop branding that represents VCS Inc. as a national identity whilst maintaining identities for the separate business units.

Three separate brand identities will be maintained and an overarching VCS Inc brand that provides strong commonality to the sub brands will be developed.

The master brand will be:
VCS Incorporated

The sub brands will be:
VCS Pathology
Victorian Cervical Cytology Register

Note: NHVPR is operated by VCS Inc. on behalf of the Commonwealth of Australia, accordingly no changes to the NHVPR brand are anticipated.

This new branding will meet the current and predicted requirements of the organisation.

4

BE READY TO SUCCESSFULLY TENDER FOR A POSSIBLE NATIONAL CERVICAL SCREENING REGISTER

Changes within the National Cervical Screening Program may result in a National Pap Test Register. VCS Inc. is well positioned to tender for this potential register should the opportunity arise. VCS Inc has demonstrated the ability to successfully build from the ground up as well as run a national register (NHVPR) and has proven experience in running a Cervical Screening Register over an extended period (VCCR commenced operations in 1989).

Although the timeline for the tender is uncertain, a working group within VCS Inc. has been established and background work is being undertaken in a number of key areas, in anticipation of tight timelines if and when a tender is issued.

5

HAVE THE BUILDING AND IT SYSTEMS IN PLACE TO SUPPORT THE PLANNED ACTIVITIES

Victorian Cytology Service – Carlton Site

In October 2010 VCS Inc was advised by the Minister for Health that it could retain its current location on the corner of Swanston and Faraday Streets. Negotiations are now underway to relocate the Registries from their present commercial premises in East Melbourne back to Carlton, which would enhance operational efficiencies.

To create a more easily identifiable street presence for visitors to the Service a new street address was approved by the Melbourne City Council. The address is now 265 Faraday Street, Carlton, VIC 3054. This change of address has been made to better reflect the location of our main entrance.

Business Intelligence Tool

The implementation of a Business Intelligence (BI) solution has been successfully completed on schedule and under budget, providing staff with decentralised access to over 95 million rows of data from disparate Information Systems. The platform went live at the end of March 2011.

VCS now possess a scalable BI platform that can empower staff and departments by improving their information analysis and knowledge through direct data access, facilitating disseminated operational and strategic reporting requirements, and enhancing research capabilities.

Server Infrastructure Replacement

The ICT Department successfully replaced a significant proportion of its server infrastructure with a virtual environment, inclusive of a Disaster Recovery platform to support the recovery objectives of the organisation. This project was completed on time and under budget with a total investment of $729K.

Key benefits of this new rationalised server platform include;

- improved operational flexibility and efficiency
- enhanced availability, redundancy and recoverability mitigating business continuity risk
- maximized server utilization
- physical footprint and facilities support requirements decreased

PERFORMANCE INDICATORS

THE VICTORIAN CYTOLOGY SERVICE STRIVES TO CONSISTENTLY PROVIDE ACCURATE AND TIMELY LABORATORY AND REGISTRY SERVICES THAT MEET OR EXCEED COMMUNITY EXPECTATIONS AND REGULATORY REQUIREMENTS. THE FOLLOWING GRAPHS OUTLINE VCS'S PERFORMANCE IN 2010/11.

Market share

Pap smear market share for the financial year was 51.3%. VCS reported a total of 298,555 Pap smears in 2010 compared to 292,454 in 2009.

Histology

Histology reporting volumes were 2,271 for the 2010/11 financial year compared to 2,274 in the previous. The volumes for histology remain stable.

PAP TEST TOTALS

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2009/10	28068	25709	23548	24722	23517	21375	18725	25860	28047	22893	25749	24241
2010/11	24824	25430	27011	27067	27518	23038	18636	25439	26829	21268	26899	24596

HISTOLOGY VOLUMES

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2009/10	210	225	181	188	191	167	98	189	219	163	242	201
2010/11	212	182	160	192	190	207	94	196	196	186	243	213

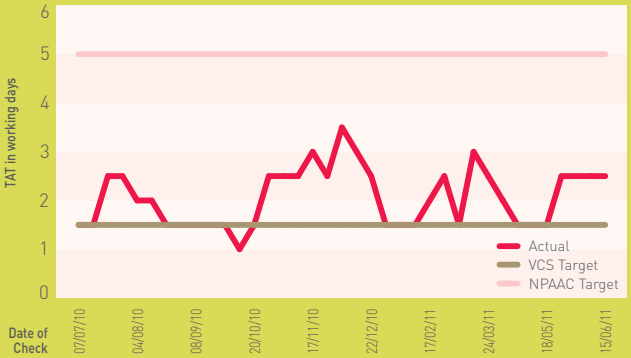
Laboratory reporting turn around times

As part of the VCS Inc. quality monitoring system, internal targets have been set for test turn around times (TAT). These targets differ depending on the type of test and are detailed as follows along with the volumes received for each test.

Pap smears

Turn around times for Pap smears consistently remain below the National Pathology Accreditation Advisory Council's (NPAAC) requirement of 90% of cases reported within 5 working days of receipt in the laboratory. The VCS internal target of 1.5 days has not been met over a number of months due to high smear volumes. This target is considered aspirational and although it could be raised in line with the NPAAC standard, the preference of the organisation is to strive toward a higher quality service for Victorian practitioners and women.

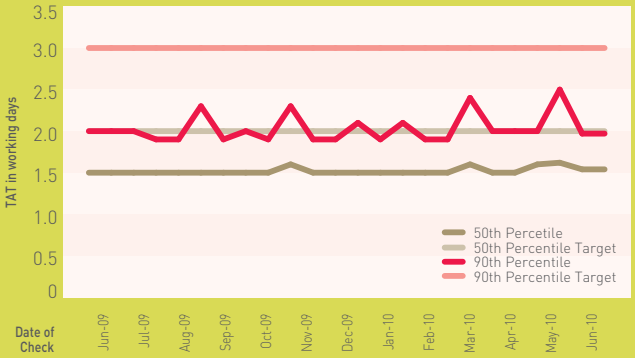
PAP SMEAR TURNAROUND TIME



Turn around times

An internal target has been set for non complex histology specimens received in the laboratory to be processed and reported within 48 hours of receipt (50th percentile) and the more complex cases reported within 72 hours of receipt (90th percentile). Public holidays have an impact on this measure.

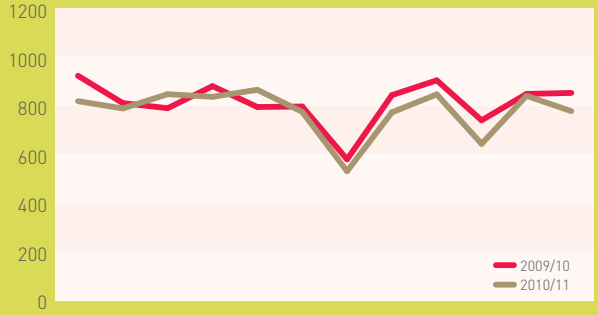
HISTOLOGY TAT RECEIPT TO VALIDATION



HPV

HPV test numbers have stabilised with a total of 9,346 tests reported in 2010/11 compared to 9,768 in the previous year.

HPV TESTING VOLUMES

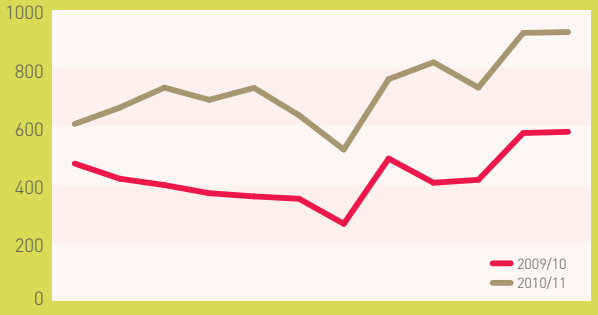


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2009/10	924	811	790	881	795	797	579	844	905	740	849	853
2010/11	819	789	848	837	866	775	530	773	847	643	841	778

Chlamydia

Chlamydia testing has steadily increased with a total of 8,746 tests reported in 2010/11 compared to 5,104 in the previous year. The strong marketing focus on Chlamydia throughout the year has significantly impacted this result and volumes are expected to increase further.

CHLAMYDIA TESTING

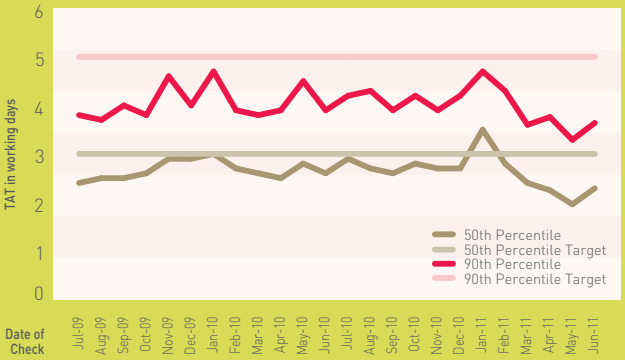


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2009/10	359	321	337	349	330	303	306	401	412	423	430	471
2010/11	473	420	398	370	359	351	256	489	406	416	577	581

Turn around times

The internal target for HPV turnaround time from receipt in the laboratory to validation is < 3 Days (50th percentile) and < 5 days (90th percentile). This target is being met by the laboratory.

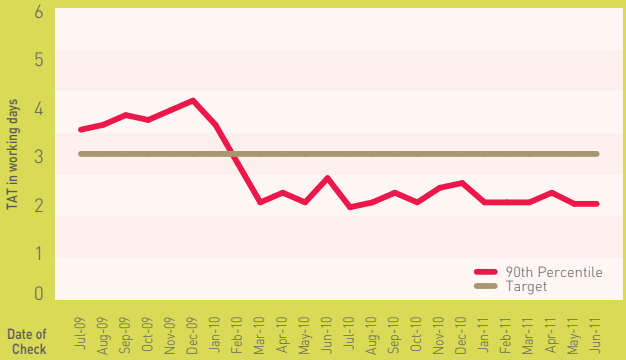
HPV TAT COLLECTION TO VALIDATION



Turn around times

The internal targets for Chlamydia reporting is a turn around time of < 3 days from receipt in the laboratory to validation. Testing has been occurring on a daily basis since February and even with increased volumes the target has been easily met.

CHLAMYDIA TAT RECEIPT TO VALIDATION



EXECUTIVE OFFICERS

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

Medical Director – Victorian Cervical Cytology Registry & Epidemiologist – Victorian Cytology Service Inc
Associate Professor Dorota Gertig
MB BS (Hons), MHS c, ScD, FAFPHM

Medical Director – National HPV Vaccination Register & Epidemiologist – Victorian Cytology Service Inc
Dr Julia Brotherton
GDip App Epi, MB BS (Hons), MPH (Hons), FAFPHM

Director – Corporate Services
Mark Van Zuylekom BSc, MBA , GAICD, AFCHSE

Director – Laboratory Operations
Gillian Phillips
M. App. Science, M. Health Service Management, CT (ASC), CT (IAC)

Director – Information Communication and Technology
Matthew Cunningham BBus (InfoSys), MIS

MEDICAL STAFF

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
Shaw-Ping Tong MB, BS, FRCPA
Daryl Johnson MB, BS, FRCPA

Senior Liaison Physician
Stella Heley BA Hons, MBBS, Dip Ven (Lond), FACSHP

Liaison Physician
Siobhan Bourke
FACSHM, MPH, MBBS Hons, Grad Cert PH (Sexual Health)

Liaison Physician
Larissa Roeske MBBS Hons, FRACGP, DipVen

SENIOR STAFF

Finance Manager
Pauline Lomas B.Bus (Acc), CPA

Human Resources Manager
Sally Wilson BA, B.Com, Grad Cert (Industrial & Employee Relations)

Quality Manager
Peter Di Sciascio BSc, MAACB, MAIMS, Grad. Dip. Arts

Manager – VCCR/NHVPR
Genevieve Chappell BAppSc (MRA), MBA

Health Information Manager VCCR
Cathryn May BAppSc, GradCertHlthInfo

Follow Up Manager VCCR, State/Territory Liaison Co-ordinator NHVPR
Lesley Rowlands B App Sci, Grad Dip Bus Admin, MPH

External Teaching Coordinator
Fiona Maxey BAppSc (MLS), CT (ASC)

BOARD MEMBERS

DR JANE COLLINS - PRESIDENT
Dr Jane Collins was appointed to the Board in February 2008 to fill the role of General Practitioner Representative and was elected President in November 2009. Dr Collins is an experienced General Practitioner, business owner and freelance medical writer. She has a special interest in women's health as well as 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, an inner urban general practice, comprising 15 GPs.

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 (VIRG), a joint initiative of the Melbourne School of Population Health and Murdoch Children's Research Institute.

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.

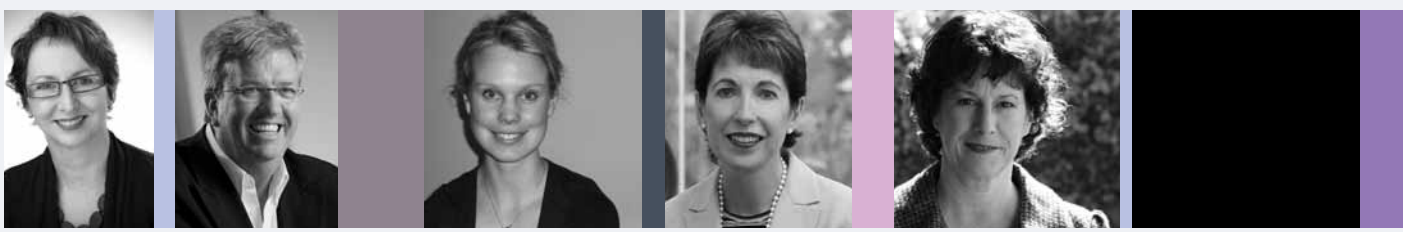
He is Chair of ATAGI (Australian Technical Advisory Group on Immunisation), the Commonwealth Government peak advisory body on vaccines. He is also a member of three expert committees convened by the Government's Chief Medical Officer: Scientific Influenza Advisory Group (SIAG); the Pandemic Vaccine Advisory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

TESS WHITTAKERS
Ms 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.

MS CHRISTINE HARVEY – VICE PRESIDENT
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 and was elected Vice President of the Board in November 2009. 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 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.



From left to right: Dr Jane Collins, Professor Terry Nolan, Tess Whittakers, Ms Christine Harvey, Ms Julian Byron

MR DEEPTHA FERNANDO
Mr Deeptha Fernando joined the Board in 2010 as the representative of Finance, Commerce and Corporate Management. Currently he is also a member of the Audit & Finance Subcommittee.

Mr Fernando holds a Bachelor of Science (Business Administration) from the University of Sri Jayawardenepura, Colombo, Sri Lanka and Master of Business Administration (MBA) in Finance from California State University, Los Angeles, USA. He is a member of the Certified Practising Accountants (CPA) Australia and The Chartered Institute of Management Accountants (CIMA), London, U.K. He also holds a Diploma of The Chartered Institute of Marketing, London, U.K.

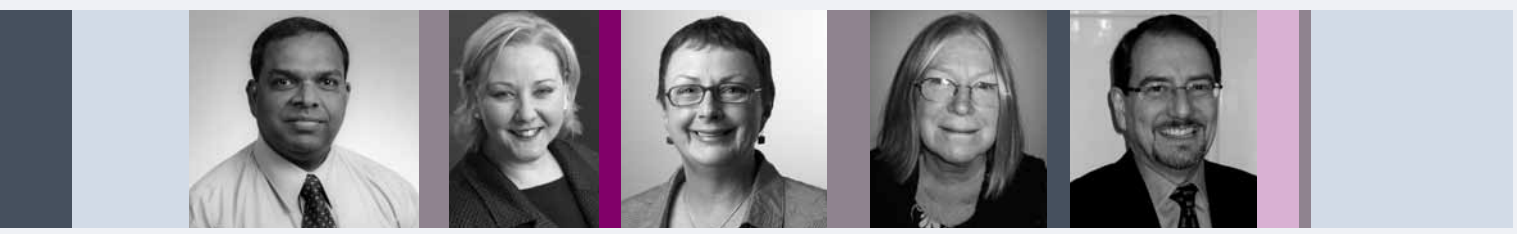
Mr Fernando brings in a wealth of experience with a career spanning more than 23 years having held senior Accounting and Finance roles in a wide range of industries including manufacturing, banking, services, construction and public not-for-profit sectors across Asia, Middle East, USA and Australia. His experience covers Financial & Management Accounting and Reporting, Treasury Management, Audit, Governance & Risk Management, Cost Analysis and Modelling and Project Financing and Management.

MS KATE BROUN
Ms Broun is a representative of the Cancer Council Victoria on the VCS Board. Ms Broun joined the Board in September 2005 and served for a two year period. Following a maternity break, she returned in October 2009. Ms Broun is the Cancer Screening Manager as well as the Program Manager for PapScreen Victoria and has extensive experience in health promotion, screening and women's health.

MS SANDY ANDERSON
Ms Anderson was appointed to the Board in 2000 and holds the position of nurse with expertise in preventative health. She 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 ten years in a role working with nurses providing cervical screening and women health services throughout the state and as part of this role coordinates the Victorian Nurse Credentialing Program. Ms Anderson is a Member of the Victorian Civil and Administrative Tribunal sitting on panels in relation to nurse disciplinary matters. Ms Anderson also currently holds women's health clinics at Baarlinjan Medical Clinic at Ballarat and District Aboriginal Cooperative.

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.

DAVID WREDE
Mr David Wrede was appointed to the Board of the Victorian Cytology Service in May 2010 as the representative with gynaecological expertise. David studied medicine at Cambridge University and St. Thomas' Hospital London. His post-graduate training was in General Surgery and Obstetrics & Gynaecology and included two years research into Cervical Cancer and HPV at the St. Mary's branch of the Ludwig Institute. Previous appointments in the UK's National Health Service include Consultant posts with interests in Gynaecological Cancer, Minimal Access Surgery and Colposcopy in Scotland and England. Since moving to Australia his main clinical focus has been in gynaecological cancer prevention at The Royal Women's Hospital where he is now the clinical lead for the Dysplasia service.



From left to right: Mr Deeptha Fernando, Ms Kate Broun, Ms Sandy Anderson, Lucy Hunter, David Wrede

VICTORIAN CERVICAL CYTOLOGY REGISTRY REPORT

It has been another busy and challenging year for VCCR as we progress the goals of our strategic plan. Although the Registry has an excellent reputation among our stakeholders, it is important we continue to improve and adapt to technological developments. To this end, we undertook a review of all of the VCCR key processes, under the leadership of Genevieve Chappell. The recommendations from this review, once implemented, will ensure we are well positioned to embrace future opportunities and continue to deliver a high quality service.

As part of the Victorian Cancer Action Plan, the VCCR has led a number of projects for the Department of Health. The most important of these is the implementation of a second reminder letter for women overdue for a Pap smear, as this is a strategy that has been shown to increase participation in international studies. The second reminder letter, sent 9 months after the first reminder letter, commenced in May 2011 and a catch up letter is planned for 2011/12. In addition, VCCR is completing the second phase of the Geographical reporting project, a Community research project on underscreening and a data linkage project that aims to inform the cervical screening program about participation among indigenous and culturally and linguistically diverse women. The VCCR provided the data for the Lancet publication led by Julia Brotherton, suggesting an early impact of the HPV vaccination program on cervical abnormalities.

A critical function of the registry is to provide timely and accurate data relevant to cervical screening. To improve our access to VCCR data, the VCCR staff worked closely with the ICT team to implement a Business Intelligence tool, which enhances the ability of VCCR staff to explore and analyse data. This is essential for quality assurance purposes and for more timely provision of data to key stakeholders.

As always, the achievements of this year would not have been possible without Genevieve Chappell and her dedicated staff and Matt Cunningham and the hard-working ICT team. I would also like to thank Marion Saville, Mark Van Zuylekom and the VCS Board of Directors for their continuing support and advice.

A/PROF DOROTA GERTIG
Director – Victorian Cervical Cytology Register

NATIONAL HUMAN PAPILLOMAVIRUS VACCINATION PROGRAM REGISTER REPORT

It has been an exciting and busy year for the NHVPR team continuing to support the National HPV Vaccination Program through the ongoing establishment and provision of registry services.

During the year, 500,000 notifications were received and processed by the Register, taking the total notifications held to just under 4.7 million. More than 200,000 completion statements were sent to girls who had completed their vaccine course and 20,000 history statements advised girls that according to the Register's records they had not yet had all three doses. The Register has continued to work closely with states and territories to improve notification to the Register and to ensure that their information and reporting needs are met. Process improvements and system enhancements have also been implemented to improve data quality and to support the delivery of the vaccination program at the local school and community level.

One of the highlights of the year, in line with our key strategic objective to contribute to the monitoring and evaluation of the HPV Vaccination Program in Australia, was the long awaited release of population based coverage data. Data by age group and dose for both the school and catch up programs was published on the Immunise Australia website in April 2011, showing good participation in the program. The release of this data was quickly followed by a number of related papers and publications, including articles for the Communicable Diseases Intelligence Journal and the Sexual Health Journal. Another significant achievement was the work undertaken with the VCCR which resulted in the Lancet publication suggesting an early impact of the HPV vaccination program on cervical abnormalities. The Register also continues to be involved in a number of other projects including an analysis of indigenous coverage data and a Computer Assisted Telephone Interviewing (CATI) survey looking at under notification to the Register. The Register continues to build on this work and continues to seek opportunities to use Register expertise and data to contribute to relevant research and to inform program policy and development.

The Register worked closely with VCS management to secure the renewal of the Register contract for a further four years with the Commonwealth Department of Health and Ageing. This is a great outcome that recognises the success of the Register and ability of VCS to deliver a fully functional national health registry.

We are fortunate to be surrounded and supported by a highly skilled and experienced team at VCS. In particular I would like to acknowledge the critical role played by NHVPR Manager Genevieve Chappell and ongoing commitment of Lesley Rowlands, Karen Peasley and Daniela Petrovksi, from within the Register, who between them, maintain strong stakeholder relations, ensure the integrity and quality of our data and ensure all operational tasks are performed. Thanks to Dorota Gertig for her ongoing advice and contribution, to Matt Cunningham and the ICT team for their constant support and to Marion Saville, Mark Van Zuylekom and the VCS Board of Directors for their strategic vision and support.

DR JULIA BROTHERTON
Director – National Human Papillomavirus Vaccination Program Register

VICTORIAN
CYTOLOGY SERVICE

THE ORGANISATION

GOVERNANCE

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

PECUNIARY INTEREST

During the 2010/11 financial year, no Board Director declared a conflict of interest in a contract with VCS.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The following meetings were held during 2010/11;

- The Board of Directors met on 7 occasions.
- The Board's Audit & Finance Committee met on 6 occasions.
- The Board's Quality Committee met on 11 occasions.

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 October 2012.

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
  - *Anatomical Pathology*
  - *Cytopathology*
  - *Microbiology – Chlamydia/HPV*

QPULSE QUALITY SYSTEM

During the reporting year the Q-Pulse Quality System Software was upgraded to version 5.7. This is a major upgrade bringing with it a significant improvement in functionality and user friendliness. Relevant modules have been introduced to staff (as well as the Board) and implemented into the organisation and its processes.

POLICIES AND PROCEDURES

The document module of the Q-Pulse quality system software currently holds 662 documents including policies, procedures, work instructions, forms and publications. During the reporting year 123 documents were created, 182 were revised and 78 were reviewed without the need for revision. The new version of Q-Pulse now provides each user with real time feedback on the documents that they need to review rather than requiring an alert from the Quality Manager. Relevant staff acknowledgement is required and recorded against each updated or newly released quality document, again Q-Pulse now provides easy reminders of outstanding acknowledgements with its workload monitoring.

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:

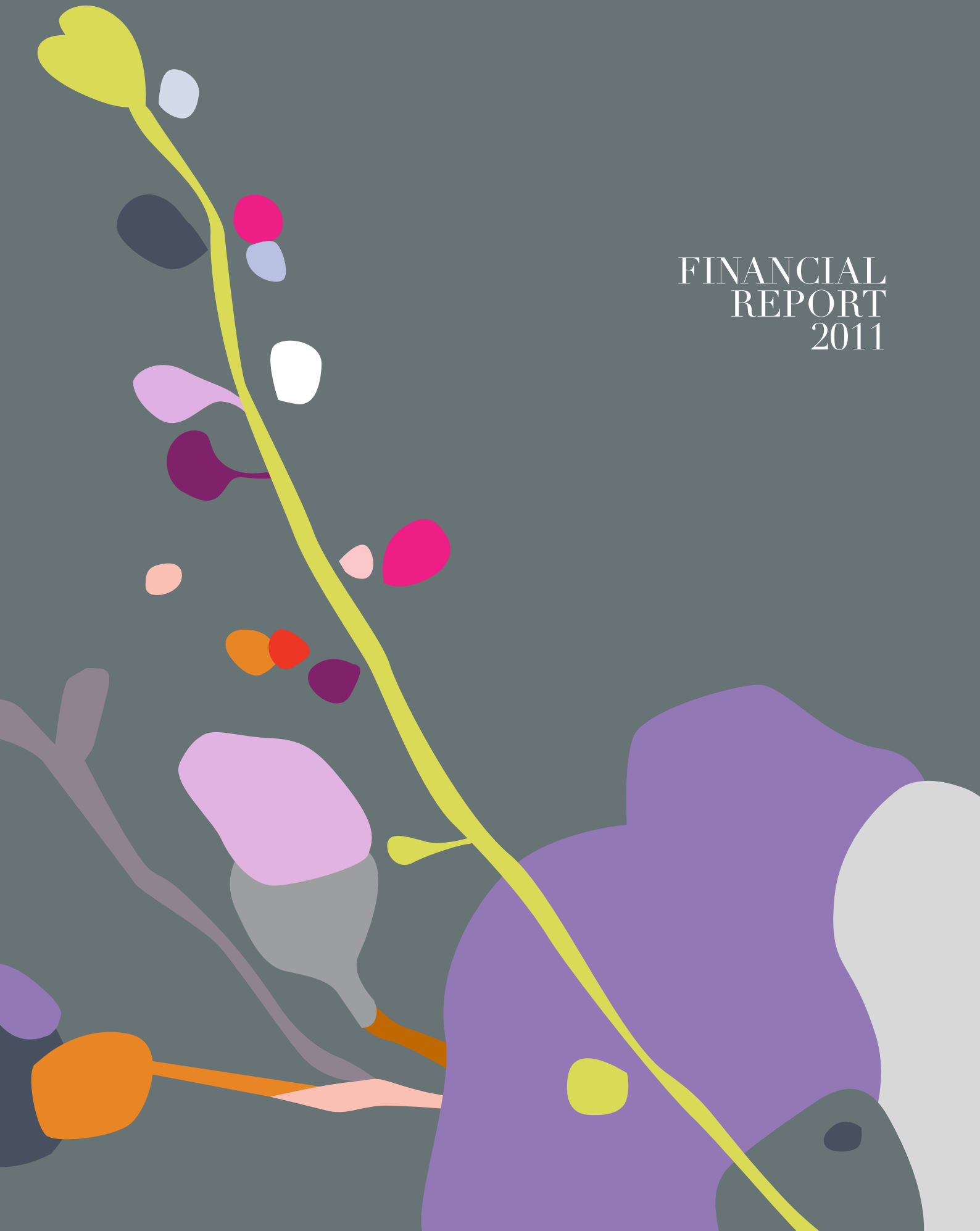
i Reporting the pathology test that has been ordered;
ii Charging for services (where appropriate);
iii The Victorian Cervical Cytology Registry (VCCR) to remind women or practitioners of overdue Pap smears.
iv Research to improve our knowledge, particularly of how to better prevent cancer of the cervix 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 2011



TREASURER'S REPORT

Victorian Cytology Service Inc., encompassing the Victorian Cytology Service, the Victorian Cervical Cytology Registry and the National HPV Vaccination Program Registry, produced a consolidated deficit of ($778,965) for the year. The deficit included depreciation of $2,002,830, of which $1,325,212 related to the NHVPR register. Capital funding had been received in prior years to build the NHVPR register platform and was held in the Designated Funds Reserve to cover some of the depreciation expense incurred in subsequent years. The balance of the funds was transferred from the Reserve during the year as the original NHVPR contract ended and a new four year contract was entered into.

Victorian Cytology Service (VCS) experienced growth in revenue (excluding capital funding) of 5.5% totalling $12,284,198 during the 2010/11 financial year. Revenue, as in past years was generated from cervical cancer screening grants, cancer recruitment grants, education and training grants, trading activities, training courses and interest received. The overall increase was due in the main to additional funding received from the Department of Health, an increase in interest received, and significant growth in Chlamydia testing of 73% over the previous year. Fees from other tests performed such as ThinPrep. HPV and Histology tests experienced a decrease in growth in line with current trends. In addition, capital funding of $388,921 was received to enable the purchase of plant and equipment, including laboratory equipment.

The operating funding was utilised to finance an increase in operating expenses of 5.5%, mainly attributable to an increase in staff costs of 3.5%, medical supplies of 13.6% and additional depreciation relating to the Disaster Recovery Platform and Business Information Tool built during the year.

The number of women screened for cervical cancer for the financial year was 298,546 (2010: 292,454).

Victorian Cervical Cytology Registry (VCCR) generated a revenue increase of 3.4% from cancer surveillance grants, trading activities and interest. In addition, the revenue included funding to cover data linkage and literature review projects of $149,282 brought forward from the prior year.

Expenditure decreased by 11.2% largely as a result of changes to staff allocations over divisions, and a reduction in staff working hours.

National HPV Vaccination Program Registry (NHVPR) received funding of $3m during the year to cover operating expenses required to maintain the register and provide patient and GP services. Revenue decreased as the data entry of GP Registration Forms was completed during July 10 and the mail out of GP Welcome Letters and Immunisation Completion Statements diminished during the year. The mail out of History Statements will be an ongoing expense which will continue to be funded.

The organisation's activities could not have been achieved without the valuable support provided by the Victorian and Commonwealth Governments. The Department of Health (Vic.) 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 smear results in Victoria. The Department of Health and Ageing (Cth) provided funding to maintain the HPV registry, as part of the National HPV Vaccination Program to monitor females receiving the HPV vaccine.

JULIANN BYRON
Treasurer
Victorian Cytology Service Inc.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2010/11 $	2009/10 $
Revenue from operating activities	2	16,213,814	17,036,598
Revenue from non operating activities	2	662,954	542,685
Wages and salaries	4	(11,927,890)	(11,779,017)
Operating and administration costs	4	(2,969,730)	(3,705,839)
Medical supplies	4	(882,440)	(776,684)
NET RESULT BEFORE CAPITAL ITEMS AND SPECIFIC ITEMS		**1,096,708**	**1,317,743**
Capital purpose income	2	133,005	251,587
Depreciation and amortisation	4	(2,002,830)	(1,731,441)
Loss on sale of non current assets	4	(5,848)	(23,681)
		(1,875,673)	(1,503,535)
COMPREHENSIVE RESULT FOR THE YEAR		**(778,965)**	**(185,792)**

This statement should be read in conjunction with the accompanying notes.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

BALANCE SHEET AS AT 30 JUNE 2011

	Notes	2010/11 $	2009/10 $
CURRENT ASSETS			
Cash and cash equivalents	6	2,933,117	3,197,592
Financial assets	7	8,899,912	8,480,167
Trade and other receivables	8	685,568	297,937
Inventories	9	80,691	83,115
Other current assets	10	246,194	295,211
Total current assets		12,845,482	12,354,022
NON-CURRENT ASSETS			
Plant, equipment & vehicles	11	2,068,016	2,401,063
Intangible assets	12	1,271,559	1,902,016
Total non current assets		3,339,575	4,303,079
TOTAL ASSETS		**16,185,057**	**16,657,101**
CURRENT LIABILITIES			
Unexpended grants	13	1,669,223	1,328,799
Payables	14	1,136,683	1,601,902
Provisions	15	3,045,654	2,617,443
Total current liabilities		5,851,560	5,548,144
NON-CURRENT LIABILITIES			
Provisions	15	574,464	570,959
Total non current liabilities		574,464	570,959
Total liabilities		6,426,024	6,119,103
NET ASSETS		**9,759,033**	**10,537,998**
EQUITY			
Accumulated surplus	16	9,759,033	9,780,992
Designated funds reserve	16	–	757,006
TOTAL EQUITY		**9,759,033**	**10,537,998**

This statement should be read in conjunction with the accompanying notes.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Retained surplus $	Designated Funds Reserve $	Total Equity $
BALANCE AT 30 JUNE 2009	8,926,550	1,797,240	10,723,790
Comprehensive result for the year	(185,792)	-	(185,792)
Transfer	1,040,234	(1,040,234)	0
BALANCE AT 30 JUNE 2010	9,780,992	757,006	10,537,998
Comprehensive result for the year	(778,965)	–	(778,965)
Transfer	757,006	(757,006)	-
BALANCE AT 30 JUNE 2011	9,759,033	–	9,759,033

This statement should be read in conjunction with the accompanying notes.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	2010/11 $	2009/10 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Receipts from trading activities	954,438	1,210,885
Interest received	548,864	463,402
Receipts from grants	16,999,865	17,633,015
Payments		
Wages and salaries	(11,423,377)	(11,441,767)
Suppliers	(5,879,345)	(6,150,620)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**1,200,445**	**1,714,915**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for held to maturity investments	(419,745)	(3,804,130)
Purchase of plant and equipment	(1,085,869)	(1,953,334)
Proceeds from sale of plant and equipment	40,693	148,203
NET CASH FLOW FROM INVESTING ACTIVITIES	**(1,464,921)**	**(5,609,261)**
NET INCREASE(DECREASE) IN CASH HELD	**(264,476)**	**(3,894,346)**
Cash and cash equivalents at the beginning of the financial year	3,197,591	7,091,937
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**2,933,115**	**3,197,591**
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING RESULT		
Comprehensive result for the year	(778,965)	(185,792)
Depreciation and amortisation	2,002,830	1,731,441
Loss (profit) on sale of fixed assets	5,848	(25,823)
Change in operating assets/liabilities		
(Increase) decrease in accounts receivable and other assets	(338,613)	(42,563)
(Increase) decrease in inventories	2,424	(5,395)
(Decrease) increase in payables and unexpended grants	(124,795)	(98,335)
(Decrease) increase in provision for employee entitlements	431,716	341,382
	1,200,445	**1,714,915**

This statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover 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.

(a) Statement of Compliance

Victorian Cytology Service Inc. has elected to early adopt the pronouncements AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Associations Incorporation Act (Vic) 1981.

The organisation is a not-for-profit entity and therefore applies the additional paragraphs applicable to "not-for-profit" organisations under the AASs.

(b) Basis of Preparation

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented in these financial statements for the year ended 30 June 2010.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The going concern basis was used to prepare the financial statements.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Historical cost convention

The financial statements are prepared in accordance with the historical costs convention, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

(c) 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.

(d) 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.

(e) 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.

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 comprehensive income statement.

(f) 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.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the organisation commits itself to either purchase or sell the asset. (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit and loss" in which case transaction costs are expensed to profit and loss immediately.

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.

(h) Intangible Assets
Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, and computer software and development costs (where applicable).

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that future economic benefits will flow to the organisation.

Amortisation is allocated to intangible assets with finite lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds the recoverable amount.

Intangible assets with finite useful lives are amortised over a 3 year period (2010:3 years).

(i) Impairment of Assets

At the end of 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 comprehensive 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.

(j) Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, and then subsequently carried at amortised cost and represent liabilities for goods and services provide to the organisation prior to the end of the financial year that are unpaid, and arise when the organisation becomes obliged to make future payments in respect of purchase of these goods and services.

The normal credit terms are usually Nett 30 days.

(k) Employee Benefits
Provision is made for the organisation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. 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.

(l) Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(m) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

(n) 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).

(o) Government grants
Government grants relating to operational expenditure are recognised upon receipt from the Department of Health. 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.

(p) 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.

(q) Critical Accounting Estimates and Judgments

The management evaluate estimates and judgments incorporated into the financial statements 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 the end of each reporting date by evaluation of 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 2011.

(r) Early adoption of standards

The organisation has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2009:

AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project.

There was no impact on the current or prior year financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: REVENUE	Notes	VCS 2010/11 $	VCCR 2010/11 $	NHVPR 2010/11 $	Total 2010/11 $	VCS 2009/10 $	VCCR 2009/10 $	NHVPR 2009/10 $	Total 2009/10 $
REVENUE FROM OPERATING ACTIVITIES									
Government grants									
Department of Health		10,504,020	1,260,696	–	11,764,716	10,059,655	1,131,094	–	11,190,749
Department of Health & Ageing		–	–	3,066,994	3,066,994	–	–	4,412,820	4,412,820
Indirect contributions by Department of Health	3	4,844	–	–	4,844	6,004	–	–	6,004
Patient fees		1,172,284	–	–	1,172,284	1,106,474	–	–	1,106,474
Other revenue from operating activities		55,580	114	–	55,694	53,096	1,376	–	54,472
		11,736,728	1,260,810	3,066,994	16,064,532	11,225,229	1,132,470	4,412,820	16,770,519
Transfer unexpended grants									
Operating funding transferred from prior year		–	149,282	–	149,282	8,257	257,822	–	266,079
		11,736,728	**1,410,092**	**3,066,994**	**16,213,814**	**11,233,486**	**1,390,292**	**4,412,820**	**17,036,598**
REVENUE FROM NON OPERATING ACTIVITIES									
Bank interest		547,470	111,689	3,795	662,954	408,985	81,438	2,758	493,181
Profit on sale of non current assets		–	–	–	–	49,504	–	-	49,504
		547,470	**111,689**	**3,795**	**662,954**	**458,489**	**81,438**	**2,758**	**542,685**
REVENUE FROM CAPITAL PURPOSE INCOME									
Department of Health		388,921	–	–	388,921	426,445	–	–	426,445
		388,921	–	–	388,921	426,445	–	–	426,445
Transfer unexpended grants									
Capital funding transferred from prior year		133,005	–	–	133,005	251,587	–	–	251,587
Capital funding transferred to following year		(388,921)	–	–	(388,921)	(426,445)	–	–	(426,445)
		133,005	–	–	133,005	251,587	–	–	251,587
Total Revenue		**12,417,203**	**1,521,781**	**3,070,789**	**17,009,773**	**11,943,562**	**1,471,730**	**4,415,578**	**17,830,870**

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: EXPENSES

	VCS 2010/11 $	VCCR 2010/11 $	NHVPR 2010/11 $	Total 2010/11 $	VCS 2009/10 $	VCCR 2009/10 $	NHVPR 2009/10 $	Total 2009/10 $
Wages and salaries	9,915,237	806,784	1,205,869	11,927,890	9,567,529	924,831	1,286,657	11,779,017
Operating and administration costs	1,440,065	334,342	1,195,323	2,969,730	1,409,899	358,779	1,937,161	3,705,839
Medical supplies	882,440	–	–	882,440	776,684	–	–	776,684
Depreciation and amortisation	623,729	53,889	1,325,212	2,002,830	419,872	62,652	1,248,917	1,731,441
Loss on sale of non current assets	5,848	–	–	5,848	23,681	–	–	23,681
	12,867,319	**1,195,015**	**3,726,404**	**17,788,738**	**12,197,665**	**1,346,262**	**4,472,735**	**18,016,662**

NOTE 5: AUDITOR'S REMUNERATION

	2010/11 $	2009/10 $
Auditors remuneration - auditing the accounts	12,600	12,000

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	94,402	62,681
Deposits at call	2,838,715	3,134,911
	2,933,117	3,197,592

NOTE 7: FINANCIAL ASSETS

Term Deposits	8,899,912	8,480,167

NOTE 8: TRADE AND OTHER RECEIVABLES

Current		
Trade debtors and accrued revenue	422,262	150,845
Provision for impairment of receivables	(7,185)	(9,308)
	415,077	141,537
Interest receivable	270,491	156,400
	685,568	297,937

NOTE 9: INVENTORIES

	2010/11 $	2009/10 $
Medical and surgical supplies	80,691	83,115
	80,691	83,115

NOTE 10: OTHER CURRENT ASSETS

Prepayments	246,194	295,211
	246,194	295,211

NOTE 11: PLANT, EQUIPMENT & VEHICLES

Plant and equipment at cost	3,873,749	4,321,048
Accumulated depreciation	(2,804,444)	(3,056,102)
Written down value	1,069,305	1,264,946
Leasehold improvements at cost	931,900	896,461
Accumulated amortisation	(198,782)	(116,916)
Written down value	733,118	779,545
Vehicles at cost	446,906	453,038
Accumulated depreciation	(181,313)	(96,466)
Written down value	265,593	356,572
Carrying amount at the end of the year	2,068,016	2,401,063

Movement in carrying amounts	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Total
Balance at the beginning of the year	1,264,946	356,572	779,545	2,401,063
Additions	380,877	69,222	35,439	485,538
Disposals	–	(46,542)	–	(46,542)
Depreciation	(576,518)	(113,659)	(81,866)	(772,043)
Carrying amount at the end of the year	1,069,305	265,593	733,118	2,068,016

NOTE 12: INTANGIBLES

	2010/11 $	2009/10 $
Software and licences at cost	4,914,351	3,499,247
Accumulated amortisation	(3,642,792)	(1,597,231)
Carrying amount at the end of the year	1,271,559	1,902,016

Movement in carrying amounts	Software	Licences	Total
Balance at the beginning of the year	1,839,043	62,973	1,902,016
Additions	600,330	–	600,330
Amortisation	(1,193,746)	(37,041)	(1,230,787)
Carrying amount at the end of the year	1,245,627	25,932	1,271,559

NOTE 13: UNEXPECTED GRANTS

	2010/11 $	2009/10 $
Capital funding transferred to following year	700,890	762,089
Operating funding transferred to following year	968,333	566,710
	1,669,223	1,328,799

NOTE 14: PAYABLES

Current		
Trade creditors	250,735	653,696
Other creditors	885,948	948,206
	1,136,683	1,601,902

NOTE 15: PROVISIONS

EMPLOYEE BENEFITS		
Current		
Provision for annual leave - short term	881,375	832,997
Provision for annual leave - long term	388,176	308,836
Provision for long service leave	1,650,260	1,349,767
Provision for sabbatical leave	125,843	125,843
	3,045,654	2,617,443
Non-Current		
Provision for long service leave	574,464	570,959
	574,464	570,959
Employee numbers		
Average number of employees during the financial year	144	144

NOTE 16: 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 17: FINANCIAL INSTRUMENTS

The organisation's financial instruments consist mainly of deposits with banks, receivable and payables. The organisation did not have any derivative instruments at 30 June 2011.

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to the financial statements, are as follows:

	Notes	2010/11 $	2009/10 $
FINANCIAL ASSETS			
Cash and cash equivalents	6	2,933,117	3,197,592
Trade receivables	8	415,077	141,537
Other receivables	8	270,491	156,400
Term deposits	7	8,899,912	8,480,167
Total financial assets		12,518,597	11,975,696
FINANCIAL LIABILITIES			
Payables	14	250,735	653,696
Other	14	885,948	948,206
Total financial liabilities		1,136,683	1,601,902

NOTE 18: 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 19. ASSOCIATION DETAILS

The principal address of the business of the Association is:
Victorian Cytology Service Inc.
265 Faraday Street
Carlton South, Vic. 3053

NOTE 20: 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 2011.

The Directors did not receive any remuneration during the financial year ended 30 June 2011.

Key management personnel compensation	2010/11 $	2009/10 $
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	1,102,173	1,083,812
Post-employment benefits	83,687	75,523
	1,185,860	1,159,335

NOTE 21: DEFINED BENEFITS 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 of net assets attributable to the staff who are members of the scheme for the year ended 30 June 2011 total $56,924 The Fund's actuary has advised that despite the shortfall the contributions will remain unchanged for the current year.

NOTE 22: COMMITMENTS

	2010/11 $	2009/10 $
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	115,572	92,426
Later than one year but not later than five years	–	–
	115,572	92,426

NOTE 23: CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2011.

NOTE 24: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events have occurred since reporting date.

VICTORIAN CYTOLOGY SERVICE INCORPORATED

AGENCY CERTIFICATION

ORGANISATION CERTIFICATION

Annual certification

We certify that Victorian Cytology Service Inc has complied with the terms and conditions of their service agreement with the department(s)*.

We certify that Victorian Cytology Service Inc has used funding received from the department(s) for the year ended **30 June 2011** on the services specified in the service agreement.

We certify that Victorian Cytology Service Inc is financially viable and can continue to provide services on behalf of the department(s).

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

Dr Jane Collins
Chairperson

Date: 28/10/11

Mr. Mark Van Zuylekom
Director – Corporate Services

Date: 28/10/11

INDEPENDENT AUDIT REPORT

Crowe Horwath

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

Report on the Financial Report

We have audited the accompanying financial report of the Victorian Cytology Services Inc., which comprises the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The board of the association is 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 Incorporations Act 1981and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 statement 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 judgement, including the assessment of the risks of material misstatement in 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 entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluation 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.

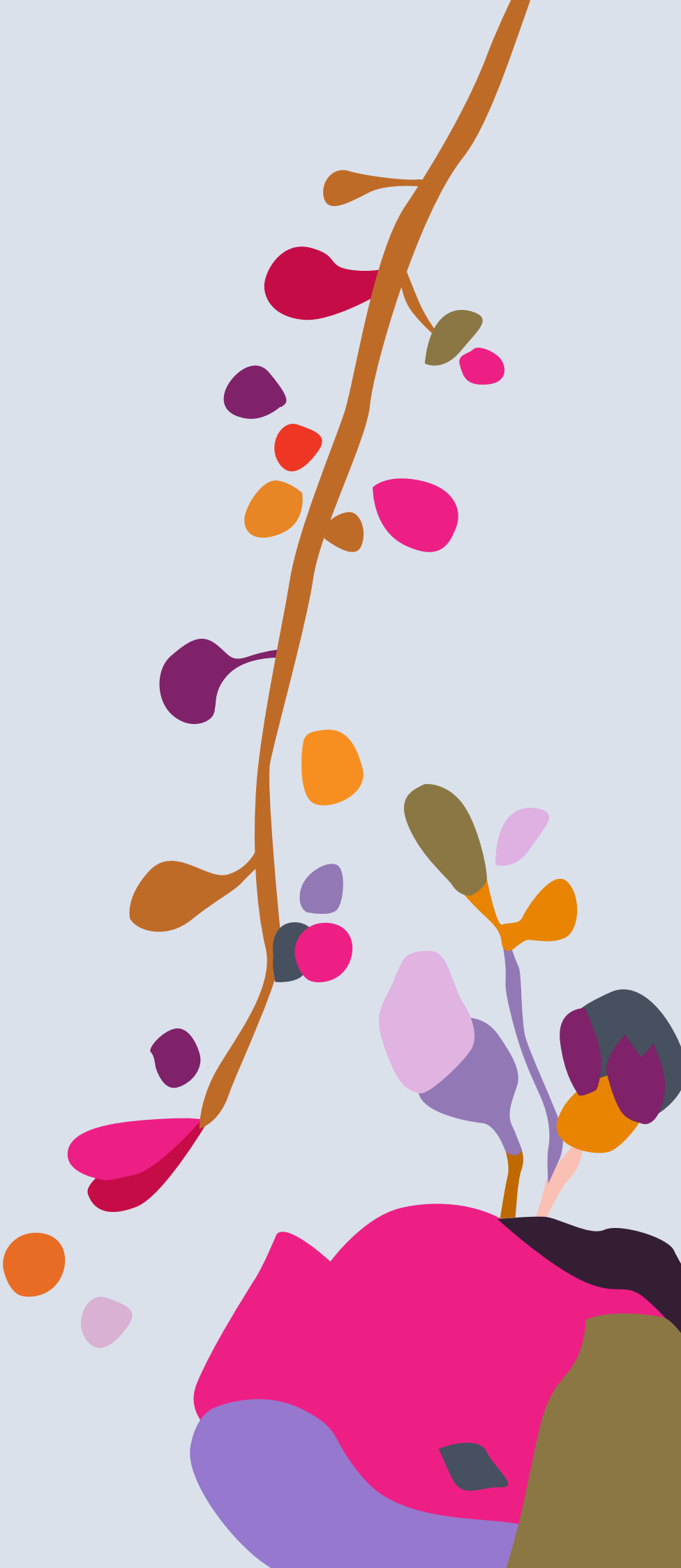
Auditor's Opinion

In our opinion, the financial report gives a true and fair view of the financial position of Victorian Cytology Services Inc. as at 30 June 2011, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting standards – Reduced Disclosure Requirements and the Associations Incorporations Act 1981.

Crowe Horwath Melbourne

Margaret Crossley
Partner

Melbourne
Dated this 28 day of October 2011

Liability limited by a scheme approved under Professional Standards Legislations

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