

VCS INCORPORATED  
ANNUAL REPORT 2013



VCS

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## OUR VISION

To be leaders in reducing the impact of cancer and sexually transmissible infections through screening and vaccination.

VCS achieves this by providing high quality evidence based:

- Laboratory and registry services
  - Education and information
- Policy relevant research and evaluation



VCS



VCS Pathology



Victorian Cervical  
Cytology Registry



National HPV Vaccination  
Program Register

## STATEMENT OF STRATEGIC INTENT

The Board of Directors together with the executive management team has developed a Strategic Plan for 2012-2015. The progress around these objectives described in the plan is described within this report.

### **1. Contributing to Change, Adapting to Change:**

- We will undertake a pilot trial, Compass. Women will be drawn from select practices referring to VCS who have agreed to participate in the trial. The pilot study is to inform a much bigger study which we hope to commence in the next several years and which we believe will be a landmark study not only in Australia but also internationally.
- We will continue to educate clinicians through our Liaison Physicians. They will provide updated information designed to support practitioners' understanding of changes to cervical cancer prevention in Australia and to increase awareness about recommendations for testing appropriately for chlamydia infection.

### **2. Meeting our Infrastructure needs:**

- Ongoing improvements in the laboratory will be undertaken in order to meet the needs not only of the Compass trial but also to support the growth in molecular microbiology testing for HPV and chlamydia.
- We intend to secure new premises that will allow a degree of expansion and co-location of VCS Pathology, VCCR and NHVPR.
- We intend to update our ICT system, starting with an update of the system supporting the VCCR in order to increase our capability to pursue strategic opportunities and to grow within the rapidly evolving external Health IT landscape.
- In order to secure the funding required to undertake these activities we will need to continue to meet and exceed the expectations of the Department of Health.

### **3. Broadening our Public Health Perspective**

- We intend to position our organization to operate registries supporting screening for a broader range of cancers, and in a broader range of jurisdictions.
- We will be leaders in the provision of high quality, bulk billed chlamydia testing.

# ORGANISATIONAL OVERVIEW

## ABOUT VCS INCORPORATED (VCS INC.)

VCS Inc is a Health Promotion Charity whose activities centre on the provision of laboratory testing and registry services for the National 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 has continued to expand its reach with the introduction of new technologies, and through broadening its mandate into the prevention of other diseases of public health importance. VCS Inc's experience and commitment to excellence in the provision of registry and laboratory services places the organisation in a prime position to successfully expand our public health registry and laboratory services.

## VCS PATHOLOGY

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 laboratory reporting of Pap Smears is provided free of charge to women.

The organisation has expanded its 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 VCCR. Working closely with VCS Pathology, other laboratories and PapScreen Victoria, VCCR is a key component of the cervical screening program in Victoria. The VCCR records the results of almost all the Pap smears performed in Victoria and administers a comprehensive Reminder and Follow-up program for each Victorian woman who has her Pap smear result recorded 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 Pap smear result summaries to assist laboratories reporting Pap smears; quantitative data for quality purposes and is responsible for producing statistical information and reports on cervical screening.

## THE NATIONAL HUMAN PAPILLOMAVIRUS VACCINATION PROGRAM REGISTER (NHVPR)

The NHVPR was established in early 2008 to support the National HPV Vaccination Program. It is fully funded by the Commonwealth Government. The NHVPR plays an essential role in supporting the effective delivery and completion of HPV vaccination courses and in monitoring and evaluating the HPV vaccination program. These outcomes are achieved through the creation of individual consumer immunisation records following notification by immunisation providers of HPV vaccinations administered; providing immunisation information both through the undertaking of follow up and reminder functions and on request to providers of vaccines; and through conducting research and producing statistical information on the National HPV Vaccination Program.

## RESEARCH, EDUCATION & TRAINING

VCS Inc activities extend beyond the provision of laboratory and registry services. The organisation 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, education and training 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 the 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.
- The Royal College of Pathologists of Australasia has accredited VCS Pathology for the training of candidates in Anatomical Pathology. This accreditation is valid until December 2017.

## FUNDING

VCS Inc has a multimillion-dollar budget with the majority of funds coming from the Australian Government and the Victorian Government. The organisation has strong relationships with the Departments of Health, Victorian and Commonwealth. The laboratory, registry and support services employ approximately 160 staff in a variety of roles, including, administration, clerical, scientific, medical, courier, information technology and customer service staff.





## PRESIDENT'S REPORT

While times have changed many things at VCS Inc remain the same. The inaugural Annual Report from 1966 describes the establishment and first 18 months work of the organisation. The nine type-written pages give a picture of a team of dedicated people working together with the ultimate aim of "the elimination of cancer of the uterine cervix as a cause of death of women in Victoria". Their strategies included education of women and practitioners; research and investigation; the provision of a high quality laboratory service at no cost to women and working with organisations with allied purposes. At the time the organisation had 19 technical and seven administrative staff. The Board reported that 213 "cases" were identified; lives potentially saved. While they were rightly proud of their achievements they still faced challenges relating to funding and accommodation to ensure the continuation and expansion of the service.

The current Board is overseeing an organisation with 160 staff and three separate services. Our statement of strategic intent (p1) and our strategic plan (p6) show how we plan to continue to make a difference to the lives of women through laboratory and registry services, education, research and partnerships. Some of the methods we employ may have changed. Had VCS Inc not diversified with new technologies, developed registry services and invested in pioneering research, the organisation would be unlikely to be capable of achieving its goals. VCS Inc has grown and developed to remain relevant and true to its original objectives while accommodating future possibilities.

These are exciting times for anyone interested in cervical cancer prevention. The introduction of the HPV vaccine will have a beneficial effect on cervical cancer in our community. We await the outcome of Renewal of the Cervical Screening Program, with a change from our current 2 yearly Pap test regime likely.

VCS Pathology reported almost 50% of all Pap tests in Victoria this year, and this vital work continues with a well deserved reputation for excellence in pathology services. Expanded laboratory services such as HPV and chlamydia testing improve our ability to further advance women's health.

The success of the National HPV Vaccination Programme Register is another example of VCS adapting to developing needs and technologies. Changes were made this year to accommodate boys on the register, and the accumulated expertise in registry services has led to other opportunities arising such as running the Participant Follow-up Function (PFUF) of the National Bowel Cancer Screening Program in Victoria on behalf of the Department of Health.

The Compass Trial, jointly run by VCS Inc and the University of NSW is due to begin a pilot phase. Associate Professor Marion Saville and Associate Professor Karen Canfell are to be congratulated for their vision and dedication in developing this important research project that will inform decisions about cervical cancer prevention in the future. VCS Inc is proud to be part of this significant work.

One area of expertise that has helped to enable VCS Inc to adapt and develop so successfully in all these fields is information and communication technology (ICT). VCS Inc is extremely fortunate to have a talented and dedicated team, led by Matthew Cunningham, who consistently deliver excellent service – on time and on budget! So many individuals contribute to the success of VCS Inc. At Board level we are aware of the effort, skill and dedication invested in the organisation by staff at every level, and thank everyone for their contribution. As leader of the team Marion Saville continues to steer VCS Inc with enthusiasm and skill. On behalf of the Board I would like to thank her for another exciting and successful year. It has been a privilege to lead the Board as President for the last four years. My Board colleagues are diversely talented, and all generous with their time and skills. In particular I would like to thank Lucy Hunter for contributing her specialised legal knowledge over the last five years, which included a major redraft of the Rules of Incorporation.

Unlike the President of the 1966 Board, I am happy to report that in 2013 the organisation is in a sound financial position. However I do have pleasure in sharing his words "this report is one of achievement".

**JANE COLLINS**

President – VCS Board of Directors



## EXECUTIVE DIRECTOR'S REPORT

Australia has amongst the lowest incidence and mortality of cervical cancer in the world following the successful introduction of organised screening 20 years ago. Times are now changing and the recent development of the HPV vaccine and new technologies are expected to have far reaching implications for the conduct of cervical screening. A Renewal Steering Committee has been convened by the Department of Health (Commonwealth) to provide advice on the renewal of the National Cervical Screening Programme. VCS Inc.'s early understanding of these changes has ensured the organisation is prepared to continue to contribute to cervical cancer prevention into the future when there will be far fewer cervical cytology tests needed. Our Strategic Plan for 2012-2015 identifies the key areas of focus for the organisation to adapt and grow through this period.

VCS Inc. in partnership with the University of New South Wales, is preparing for the launch of the Compass Trial Pilot Study in the second half of 2013. Compass is a randomised controlled trial, to compare 3-yearly cytology-based cervical screening with 6-yearly primary HPV screening in eligible Australian women. I would like to thank all departments across the organisation that have been involved in the development of the pilot which included updates to the ICT system, laboratory equipment, work processes and the development of new resources to support this exciting trial.

VCS Inc. has always had a strong reputation for quality assurance and patient safety. I am fortunate to lead a team that has built on this reputation by continuing and strengthening our commitment to the provision of high quality, evidence based screening services.

Our reputation was instrumental to the organisation being selected by the Department of Health (Commonwealth) to establish and operate the National HPV Vaccination Program Register (NHVPR), and now broadening the scope of the NHVPR to include boys. We have strengthened the capacity of both of our registers (VCCR and NHVPR) to support research and evaluation of cervical cancer prevention strategies and services and we are well positioned to respond to a variety of requests and tenders. Most recently we were successful in the tender of the participant follow up function for the National Bowel Cancer Screening Program in Victoria.

VCS Inc. continues to build strong relationships with program screening staff in both the Victorian and Commonwealth Departments of Health. As VCS Inc is a program partner within the Victorian cervical screening program, we frequently work collaboratively with Papscreen Victoria and the Department of Health on a range of projects designed to improve the participation of Victorian women in cervical screening, particularly those women from groups that are relatively under screened.

This year VCS Inc, in collaboration with The University of Melbourne, was successful in obtaining highly competitive NHMRC funding for the iPap trial, an evaluation of HPV vaginal self-sampling for unscreened and underscreened women in Victoria.

Without the continued financial support from the Victorian and the Commonwealth Departments of Health, and the responsible financial management by VCS Inc., none of the activities performed by the organisation would be possible. One of VCS Inc.'s financial goals is to achieve a surplus each year so that funds are available to reinvest into the organisation, and for many years we have achieved that goal. This financial year we have attained a surplus which may appear substantial. It is a result of capital funding received mid June 2013 to partially cover the cost of the upgrade of the VCS/VCCR database, which is urgently required and yet to be performed. To comply with Australian Accounting Standards, the capital funding was treated as earned income rather than deferred income, and therefore treated as revenue in the current financial year, increasing the apparent surplus. The capital funding component of the surplus has been transferred to a reserve to be utilised for the VCS/VCCR database upgrade during future years.

The activities contained in this year's annual report are testament to the hard work of the VCS Inc staff. It has been a pleasure to lead such a dedicated team and I would like to thank every one of our referrers, stakeholders, employees and board directors. It is your commitment, enthusiasm and desire to achieve the best outcomes for women that has contributed to the ongoing reputation of our organisation. This era of change is exciting and I look forward to working with the VCS Inc team and Board of Directors to meet the challenges that it brings.

**ASSOCIATE PROFESSOR MARION SAVILLE**  
Executive Director

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AUSTRALIA HAS AMONGST THE  
LOWEST INCIDENCE AND MORTALITY  
OF CERVICAL CANCER IN THE WORLD  
FOLLOWING THE SUCCESSFUL  
INTRODUCTION OF ORGANISED  
SCREENING 20 YEARS AGO.



# 2012/2013 HIGHLIGHTS OF STRATEGIC PLAN ACTIVITIES

## 1. CONTRIBUTING TO CHANGE, ADAPTING TO CHANGE:

**We will undertake a pilot trial, Compass. Women will be drawn from select practices referring to VCS who have agreed to participate in the trial. The pilot study is to inform a much bigger study which we hope to commence in the next several years and which we believe will be a landmark study not only in Australia but also internationally.**

COMPASS IS A RANDOMISED  
CONTROLLED TRIAL WHICH  
AIMS TO COMPARE 3-YEAR  
CYTOLOGY-BASED CERVICAL  
SCREENING WITH 6-YEARLY  
PRIMARY HPV SCREENING  
IN AUSTRALIAN WOMEN  
AGED 25-64 YEARS.

Researchers at VCS Inc and the University of New South Wales are about to commence a pilot study of 5,000 individually randomised women. Eligible participants are women, aged 25-64 years, attending for routine screening at participating practices in Victoria.

Approvals from the relevant Ethics Committees have been received and recruitment of GPs is underway. To support the trial an extensive amount of work has been undertaken to update the existing computer Cytology Information System (CIS) to capture data and provide appropriate recommendations for the women involved in the trial. In addition, new equipment was introduced into the laboratory, accompanied by appropriate training. To assist the GPs participating in the trial information brochures and resources including a website, have been developed. The VCS Pathology Liaison Physicians have been instrumental in recruiting and educating the participating practices.

**We will continue to educate clinicians through our Liaison Physicians. They will provide updated information designed to support practitioners' understanding of changes to cervical cancer prevention in Australia and to increase awareness about recommendations for testing appropriately for chlamydia infection.**

VCS Pathology offers free educational updates to health practitioners in Victoria. These updates cover the National Cervical Screening Program, Pap test technique, HPV (Human Papillomavirus) including testing and vaccines, and Chlamydia trachomatis including testing.

Updates are presented by our liaison physicians: Dr Stella Heley, Dr Siobhan Bourke and Dr Lara Roeske. Day or evening sessions are arranged for suburban or country practices and are free of charge. This year our liaison physicians delivered 103 educational updates and presentations to a combined audience of more than 11,356 GPs, registrars, nurses, midwives and secondary school students.

VCS Pathology's Dr Lara Roeske has developed, and is currently gathering data from GPs participating in, the fully accredited Royal Australian College of General Practitioners (RACGP) Clinical Audit for Chlamydia. This audit aims to increase general practitioner initiated chlamydia testing as well as encouraging it to be incorporated into the routine primary health care assessments of young sexually active Australians. This clinical audit will assist GPs in identifying and testing eligible patients for chlamydia.



## 2. MEETING OUR INFRASTRUCTURE NEEDS:

**Ongoing improvements in the laboratory will be undertaken in order to meet the needs not only of the Compass trial but also to support the growth in microbiology testing for HPV and chlamydia.**

The Department of Health Victoria has generously funded two new pieces of equipment for VCS Pathology Laboratory:

The Roche cobas 4800 system was installed to run HPV testing and genotyping for the Compass trial. This system offers fully automated sample preparation with real-time polymerase chain reaction (PCR) technology for amplification and detection.

The Ventana immunohistochemical staining platform has been installed and is now being used for routine staining of some cervical biopsies. Until now the laboratory has sent slides that require p16 staining to the Royal Children's Hospital. The in-house process will significantly improve the turnaround time for cases that require p16 staining. This platform will also be used for dual stain in the Compass trial. Scientists and pathologists have been fully trained in the staining and associated interpretation.

**We intend to secure new premises that will allow a degree of expansion and co-location of VCS Pathology, VCCR and NHVPR.**

Investigations continue to locate a site to accommodate the growing needs of the laboratory and registries in the Royal Women's Hospital precinct. Regular meetings are held with the Department of Health Victoria and the Royal Women's Hospital to consider options.

**We intend to update our ICT system, starting with an update of the system supporting the VCCR in order to increase our capability to pursue strategic opportunities and to grow within the rapidly evolving external Health IT landscape.**

VCS Inc has remained focussed upon the replacement of the Cytology Information System (CIS) to mitigate the risks associated with this ageing application platform critical to Laboratory and Registry operations. The Department of Health Victoria has generously funded key activities for the redevelopment of the VCCR application. A scoping exercise has been undertaken and the project has been broken into several phases, with development scheduled to commence in 2014.



**In order to secure the funding required to undertake these activities we will need to continue to meet and exceed the expectations of the Department of Health (Vic).**

The Department of Health's Desktop Review received in October 2012 indicated that VCS Inc is meeting targets and reporting requirements outlined within the Service Agreement to a very high standard.

Particularly, the Department noted the organisation's achievements as follows:

- Ongoing contribution to improving cervical screening policy and program delivery.
- The provision of accurate and timely data to support the National Cervical Screening Program.
- Proactive and timely advice to the department on any emerging issues or risks.
- Participation in the department's Under-screened Program, reducing health disparities and driving improvements in cancer screening in Victoria.
- Progressing work on collecting Aboriginal and Torres Strait Islander and culturally and linguistically diverse status through pathology request forms.
- Contribution to research in cervical cancer prevention, such as the Compass trial.
- Contribution to quality improvements in the program, such as the C-Quip pilot to collect colposcopy data on the Victorian Cervical Cytology Registry.

# 2012/2013 HIGHLIGHTS OF STRATEGIC PLAN ACTIVITIES

## 3. BROADENING OUR PUBLIC HEALTH PERSPECTIVE

**We intend to position our organisation to operate registries supporting screening for a broader range of cancers, and in a broader range of jurisdictions.**

In July 2012 the Commonwealth Government announced that boys will be included in the HPV vaccination program from 2013. Vaccinating boys against HPV infection complements the current vaccination program for girls introduced in 2007; extending the program to boys will increase herd immunity providing indirect protection to the girls who are not fully vaccinated and will also provide direct benefit to boys by preventing some cancers caused by HPV. The National Human Papillomavirus Vaccination Program Register's (NHVPR) computer program had been adapted previously in readiness to accept the new information. All NHVPR's resources including the website have been updated with gender neutral branding. Boys will begin receiving reminders and completion statements as the vaccination program continues.

IN JULY 2012 THE  
COMMONWEALTH GOVERNMENT  
ANNOUNCED THAT BOYS WILL  
BE INCLUDED IN THE HPV  
VACCINATION PROGRAM  
FROM 2013.

VCS Inc has successfully tendered for the National Bowel Cancer Screening Program's (NBCSP) Participants Follow Up Function (PFUF) in Victoria and commenced operations in March 2013. The PFUF service involves the follow up of participants within the Bowel Screening Program, who have received a positive Faecal Occult Blood Test (FOBT) result. The follow-up is to ensure that the participants progress along the screening pathway and receive appropriate care. Three part time staff and a full time team leader have been employed and have received NBCSP training from the Department of Human Services and training in telephone techniques from The Victorian Employers' Chamber of Commerce and Industry. The 22 years of experience in follow up services provided by the Victorian Cervical Cytology Registry placed the organisation in a strong position to run this program. The first quarterly report was submitted on the 31st July 2013 and all the contractual requirements were met.

VCS HAS SUCCESSFULLY  
TENDERED FOR THE NATIONAL  
BOWEL CANCER SCREENING  
PROGRAM'S (NBCSP) PARTICIPANTS  
FOLLOW UP FUNCTION (PFUF) IN  
VICTORIA WHICH COMMENCED  
IN MARCH 2013.

## SOUTH AUSTRALIAN PAP TEST REGISTER

VCS Inc was approached by South Australia Health and asked to submit a proposal to operate the SA Cervix Screening Program Registry on behalf of South Australia. A service plan covering establishment and operating costs has been prepared and a brief has been sent to the Senior South Australian Health Executives for consideration.

## SUPPORT FOR OVERSEAS CERVICAL SCREENING PROGRAMS

VCS Pathology continues to support nascent cervical screening programs in various overseas countries, including The Independent State of Samoa, American Samoa, Vanuatu, Kiribati, Tonga and others. We provide Pap smear collection supplies and clinical advice to local practitioners. Pap smears collected in those countries are sent to the Carlton laboratory for reporting.

## **We will be leaders in the provision of high quality, bulk billed chlamydia testing.**

Chlamydia infection is a sexually transmitted infection (STI) of public health importance in Australia. It was the most frequently reported STI in Australia in 2011, with a total of 80,800 newly diagnosed cases. Young people are at greatest risk of chlamydia infection, with 3 out of 4 known cases occurring in young Australians aged between 15 and 29.

The General Practitioner (GP) is Australia's most frequently accessed health service and most testing and treatment of STIs occurs in the general practice setting. The majority of diagnoses of genital chlamydia infection are made in general practice. However, for a variety of reasons, GPs may be unable to engage and test eligible patients for chlamydia infection. The VCS Pathology Liaison Physicians have incorporated the importance of testing for chlamydia in their education sessions. In addition, a Pap Test/Chlamydia test pack has been developed which contains all the collection materials necessary for testing for chlamydia at the time of a Pap test. The Chlamydia Clinical Audit currently underway is also designed to increase general practitioner initiated chlamydia testing and incorporate this into the routine primary health care of young sexually active Australians.

In late 2012 the RACGP Guidelines for Preventative Activities in General Practice (8th edition) were updated to reflect current knowledge about prevalence & risk of chlamydia infection in young people. The Guidelines now state: "Annual screening for chlamydia infection in all sexually active people aged 15-29 years is recommended because of the increased prevalence and risk of complications" in this age group. In line with this important change VCS Pathology sent all referring clinicians notification of this change along with updated VCS Pathology chlamydia resources.

## POSTER COMPETITION

VCS Pathology and the School Nurse Program ran a chlamydia poster competition inviting Year 9 to 11 media students from 5 Victorian schools to participate. This competition was designed to create awareness amongst teenagers and at the same time develop a resource that this age group can identify with. The schools involved were:

- Westernport Secondary College
- Rosebud Community VCAL
- Patterson Rivers Secondary College
- Dromana Secondary College
- Rosebud Secondary College

The entries received were of an excellent standard which made judging difficult. After much consideration 1st prize was awarded to Year 11 students Ben Tate and Caleb Gray from Dromana Secondary College with their entry

*'This is something you won't want to share...'*

## HIGHLIGHTS FOR THE 2012/13 FINANCIAL YEAR

NATA  
REACCREDITED  
VCS PATHOLOGY IN  
NOVEMBER 2012

VCS PATHOLOGY  
REPORTED 49.4%  
OF ALL PAP TESTS  
IN VICTORIA IN  
2012/13

AN NHMRC PROJECT  
GRANT FOR THE IPAP TRIAL:  
HPV SELF-SAMPLING FOR  
IMPROVING PARTICIPATION IN  
SCREENING WAS RECEIVED  
IN OCTOBER 2012

THE COMPASS TRIAL  
COMPARING 3-YEARLY  
CYTOLOGY-BASED CERVICAL  
SCREENING WITH 6-YEARLY  
PRIMARY HPV SCREENING IN  
AUSTRALIAN WOMEN AGED  
25-64 YEARS IS ON SCHEDULE  
TO COMMENCE IN  
SEPTEMBER 2013

THE NATIONAL  
HUMAN PAPILLOMAVIRUS  
VACCINATION PROGRAM  
REGISTER WAS UPDATED  
TO RECORD DOSES  
GIVEN TO MALES

C-QUIP PILOT TO  
COLLECT COLPOSCOPY  
DATA ON THE VICTORIAN  
CERVICAL CYTOLOGY  
REGISTRY COMPLETED

VCS INC IS NOW  
OPERATING THE  
NATIONAL BOWEL CANCER  
SCREENING PROGRAM –  
PARTICIPANT FOLLOW-UP  
FUNCTION IN  
VICTORIA



## VCS PUBLISHED ARTICLES

- Lew JB, Howard K, **Gertig D**, Smith M, Clements M, Nickson C, Shi JF, Dyer S, Lord S, Creighton P, Kang YJ, Tan J, Canfell K. Expenditure and resource utilization for cervical screening in Australia. BMC Health Serv Res 2012 Dec 5;12:446.
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- Fairley CK, **Brotherton JM**, Hillman R, Grulich AE. Why a special issue on anal cancer and what is in it? Sex Health 2012 Dec;9(6):501-3.
- Markowitz LE, Tsu V, Deeks SL, Cubie H, Wang SA, Vicari AS, **Brotherton JM**. Human papillomavirus vaccine introduction – the first five years. Vaccine 2012 Nov 20;30 Suppl 5:F139-48.
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- Rashid RM, Dahlui M, Mohamed M, **Gertig D**. Adapting the Australian system: is an organized screening program feasible in Malaysia? – an overview of cervical cancer screening in both countries. Asian Pac J Cancer Prev 2013;14(3):2141-6.
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## EVENTS PLANNED FOR 2014

### 50TH ANNIVERSARY IN 2014

The Victorian Cytology (Gynaecological) Service was formulated by Order-In-Council dated 9th December 1964. Dr Michael Drake, a pathologist at Prince Henry's hospital with an international reputation in the then emerging field of cytopathology was appointed Director of the service on Friday 11th December 1964. The Service commenced operations on 1st January 1965.

### PREVENTING CERVICAL CANCER: INTEGRATING SCREENING AND VACCINATION CONFERENCE 2014

In view of this significant milestone in the life of the organisation, and having regard to the activity around Renewal of the Cervical Screening Program and the Compass trial, we have decided to run our third PCC conference (Preventing Cervical Cancer: Integrating Screening and Vaccination) in December 2014. Recognition of the 50th anniversary will be incorporated into the conference program. The conference was well received by delegates in both 2009 and 2011. We intend that the conference will draw together rapidly emerging evidence in the fields of immunisation and screening and will provide a platform to highlight and celebrate the 50th anniversary of the organisation's establishment.



# VCS PATHOLOGY

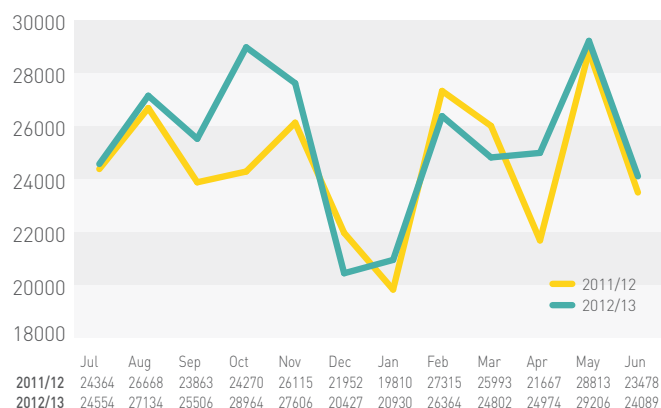
VCS Pathology strives to consistently provide accurate and timely laboratory services that meet or exceed community expectations and regulatory requirements. Our Pap smear screening service forms the core of our laboratory services and is well supported by our diagnostic services in molecular pathology and histopathology. VCS Pathology's performance in all our laboratory testing fields during 2012/2013 was maintained at a consistently high standard, monitored by our stringent Quality Assurance measures. While maintaining our core business we have also invested our resources to support the Compass trial. These endeavours have been greatly assisted by the installation of two new major pieces of laboratory equipment, the Roche cobas 4800 system and the Ventana immunohistochemical staining platform.

The following performance indicators outline VCS Pathology's achievements in our core laboratory services during 2012/2013.

## Pap Smear Market Share

Pap smear market share for the financial year was 49.4%. VCS Pathology reported a total of 304,556 in 2012/13 compared to 294,308<sup>1</sup> in 2011/12.

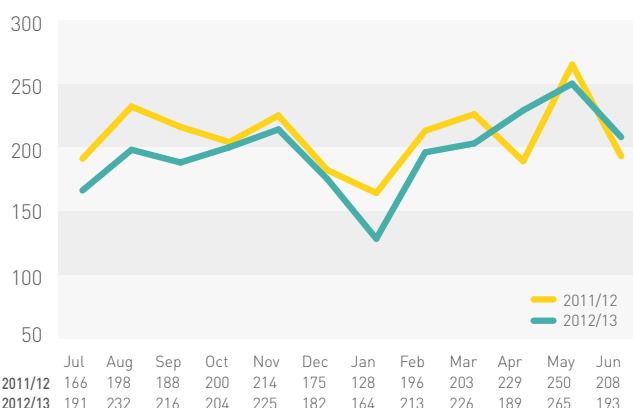
PAP TEST TOTALS



## Histology

Histology volumes were 2,500 cases for the year, a slight increase from 2,355 in 2011/12. The volumes for histology remain stable.

HISTOLOGY VOLUMES



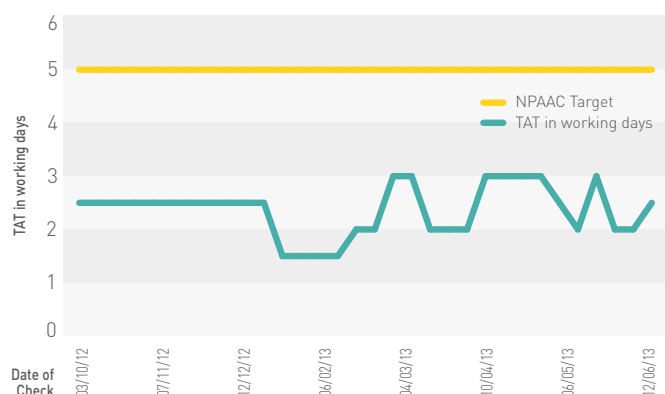
## Laboratory Reporting Turn-around Times

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 for 90% of cases reported within 5 days of receipt in the laboratory.

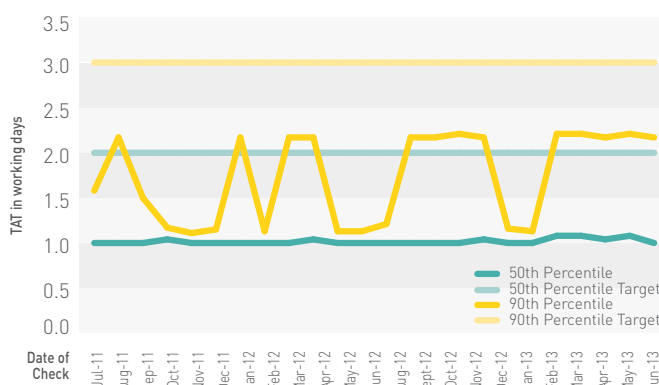
PAP SMEAR TURNAROUND TIME



## Histology Turn-around Times (TAT)

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). The introduction of in-house p16 staining will see a reduction in the 90th percentile. Both targets were met.

HISTOLOGY TAT RECEIPT TO VALIDATION (EXCLUDING WEEKENDS)

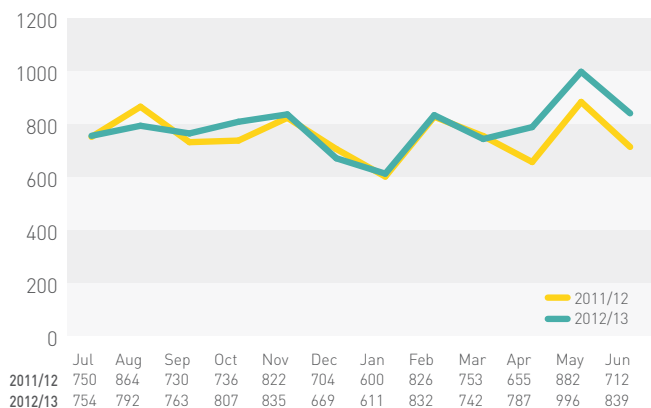


<sup>1</sup> An error occurred in the total Pap smear volumes for 2012 in the 2011/12 Annual report. The correct total for the financial year was 294,308 not 296,686 as reported. The error occurred in the March 2012 volumes which should have been reported as 25,993, not 28,371.

## HPV

HPV test numbers have stabilised with a total of 9,427 tests reported in 2011/12 compared with 9,034 in the previous year.

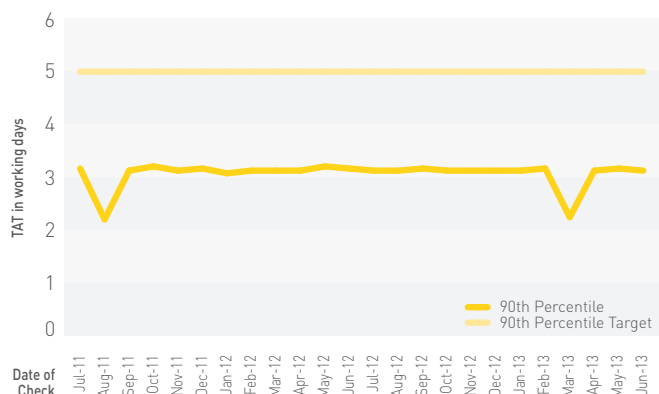
HPV TESTING VOLUMES



## HPV Turn-around Times

The internal target for HPV turn-around time from receipt in the laboratory to validation is that 90% of cases should be reported within 5 days.

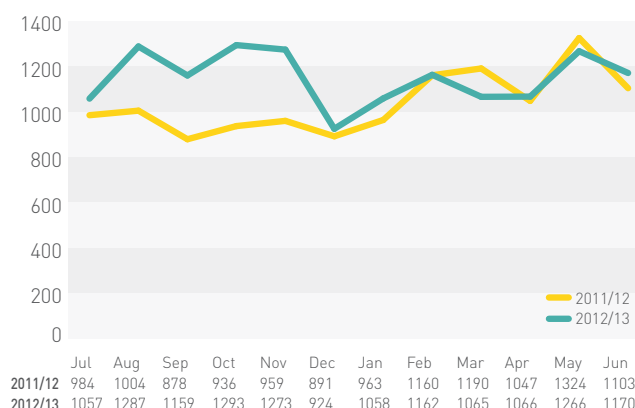
HPV TAT RECEIPT TO VALIDATION



## Chlamydia

Chlamydia testing remained steady with a total of 13,780 tests reported in 2012/13 compared to 12,439 in the previous year. A strong educational focus on chlamydia throughout the year has contributed to this result.

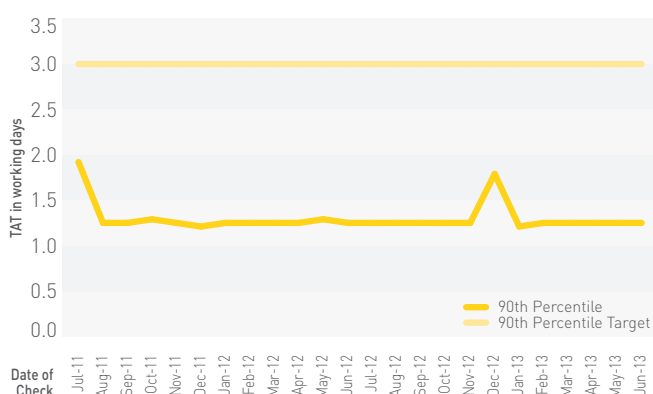
CHLAMYDIA TESTING VOLUMES

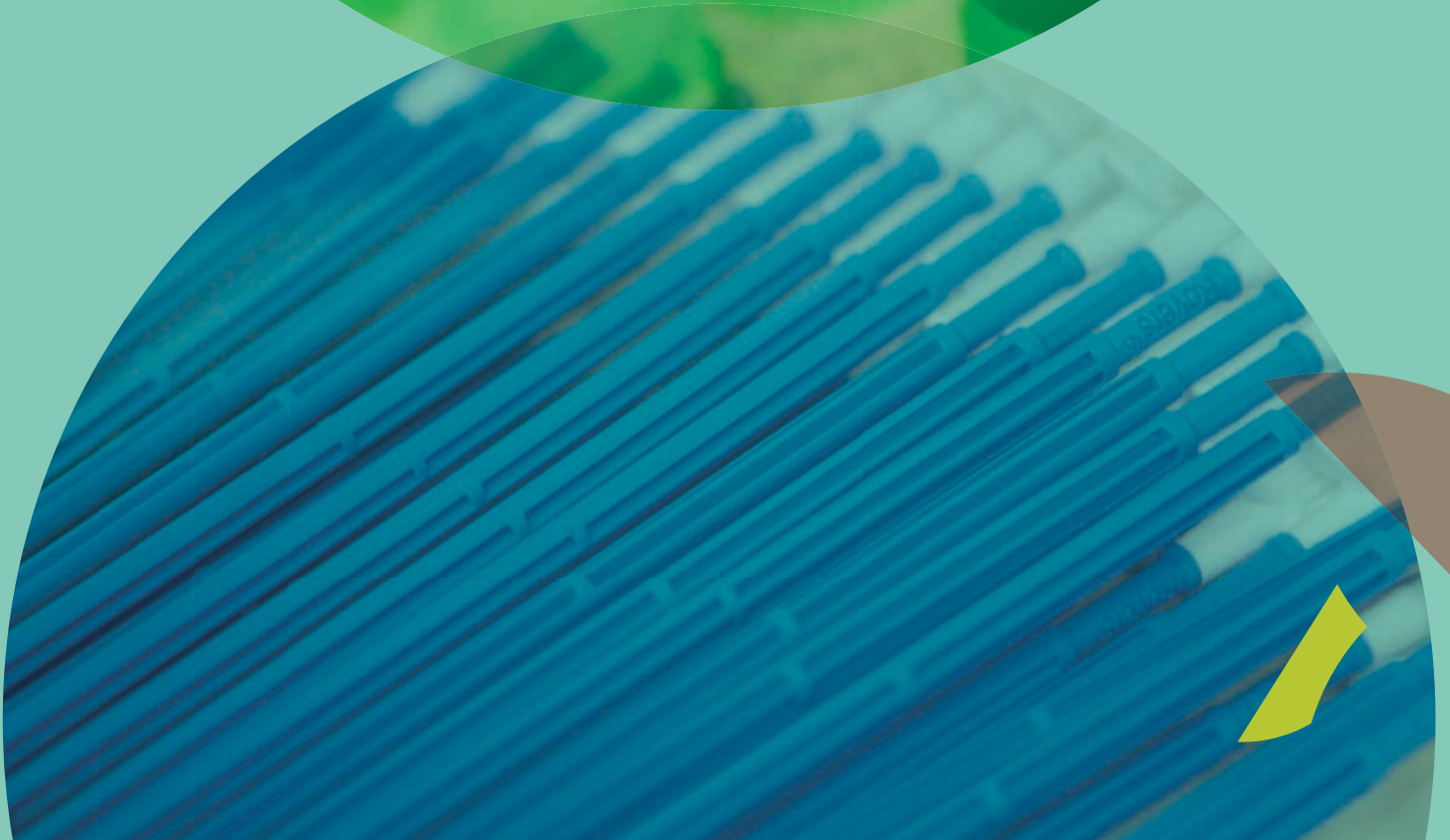


## Chlamydia Turn-around Times

The internal target for chlamydia reporting is a turn-around time of less than 3 days from receipt in the laboratory to validation. Testing has been occurring on a daily basis since the beginning of 2011 and the target has been easily met.

CHLAMYDIA – RECEIPT TO VALIDATION





# OFFICERS OF THE ASSOCIATION

## 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), MHSc, 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

Mr Mark Van Zuylenkom BSc, MBA , GAICD, AFCHSE

## DIRECTOR – LABORATORY OPERATIONS

Ms Gillian Phillips

MAppSc, M. Health Service Management, CT (ASC ), CT (IAC )

## DIRECTOR – INFORMATION COMMUNICATION AND TECHNOLOGY

Mr Matthew Cunningham BBus (InfoSys), MIS

## DIRECTOR OF PATHOLOGY

Professor Ruth Salom

MB BS, MD, MBA, FRCPA, FAICD, B Med Sci (Hon), MIAC

## MANAGING PATHOLOGIST

Dr Siew Chin Lian MB BS, FRCPA

## PATHOLOGISTS

Dr Henry Yeung MB BS, FRCPA

Dr Kristy Dundas MB BS, FRCPA

Dr Shaw-Ping Tong MB BS, FRCPA

Dr Daryl Johnson MB BS, FRCPA

Dr Jennifer Kim MB BS, BSc (Med), FRCPA, Grad Cert Med (Clin Epi)

## SENIOR LIAISON PHYSICIAN

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

## LIAISON PHYSICIAN

Dr Siobhan Bourke

FACSHM, MPH, MB BS (Hons), Grad Cert PH (Sexual Health)

## LIAISON PHYSICIAN

Dr Larissa Roeske MB BS (Hons), FRACGP, DipVen

## MANAGER

VICTORIAN CERVICAL CYTOLOGY REGISTRY (VCCR)

NATIONAL HPV VACCINATION PROGRAM REGISTER (NHVPR)

Ms Genevieve Chappell BAppSc(MRA), MBA

## QUALITY MANAGER

Mr Peter Di Sciascio BSc, MAACB, MAIMS, Grad Dip Arts

## FINANCE MANAGER

Ms Pauline Lomas B Bus(Acc), CPA

## HUMAN RESOURCES MANAGER

Ms Sally Wilson BA, GradCertIndEmpRels, MWplce&IndRels

## BOARD MEMBER PROFILES

### DR JANE COLLINS - PRESIDENT

President Dr Jane Collins was appointed to the Board in February 2008 to fill the role of a Director with expertise in General Practice 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.

### MS CHRISTINE HARVEY – VICE PRESIDENT

Ms Christine Harvey was appointed to the Board in February 2008 as a Director with expertise in Finance, Commerce, Corporate Management and Law expertise and was elected Vice President of the Board in November 2009. Currently she is also a member of the Audit and Finance Subcommittee of the Board. Ms Harvey is a legal practitioner with degrees in both arts and law (with Honours) from the Australian National University 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 a Director with expertise in Finance, Commerce or Corporate Management and has held the position of Treasurer since joining. Ms Byron's qualifications include Fellow CPA Australia, Fellow of the Australian Institute of Company Directors, Member of Chartered Secretaries Australia, and Chartered Tax Advisor. Ms Byron has experience with both public and private companies in areas including finance, risk management, governance and strategic planning.

### MS KATE BROUN

Ms Broun is a representative of the Cancer Council Victoria on the VCS Inc 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, which includes overseeing PapScreen Victoria. She has extensive experience in health promotion, screening and women's health.

### MS SANDY ANDERSON

Ms Anderson was appointed to the Board in 2000 as a Director 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's health services throughout the state and as part of this role coordinates the Victorian Nurse Credentialing Program. Ms Anderson also currently works in women's health holding clinics at Baarlinjan Medical Clinic at Ballarat and District Aboriginal Cooperative. In 2012 Ms Anderson was awarded the National Australian Practice Nurse Association Best Practice Nurse Award for Sexual Health in relation to increasing Koori women's cervical screening.

### MS LUCY HUNTER

Ms Lucy Hunter joined the Board in 2008 as a Director with expertise in Law. 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.

### MR DAVID WREDE

Mr David Wrede was appointed to the Board in May 2010 as the Director with gynaecological expertise. Mr Wrede 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. Mr Wrede is one of the Chief Investigators on the Compass study. He is also a member of the clinical advisory panel of the Australian Cervical Cancer Foundation and the Management Committee of the Australian Society for Colposcopy & Cervical Pathology.





#### MR TIM HUMPHRIES

Mr Tim Humphries joined the Board in 2012 as the Director with expertise in Finance, Commerce or Corporate Management. Currently he is also a member of the Audit & Finance Subcommittee. Mr Humphries holds a Bachelor of Commerce from Flinders University, and Master of Business Administration (MBA) from Deakin University. He is a member of the Certified Practising Accountants (CPA) Australia. Mr Humphries brings in a wealth of experience with a career spanning more than 20 years having held senior Accounting and Finance roles, and currently CEO in a wide range of industries including health, aged care, transport and logistics, materials handling, recruitment, and not-for-profit sectors in Australia. His broad finance experience is complimented with HR, IT, corporate governance, sales and Project Management skills.

#### MS ANNE ROBERTSON

Ms Anne Robertson joined the Board in May 2013 as a Director with a consumer perspective. She has a personal interest in the promotion of the HPV vaccine as she lost her sister to cervical cancer in 1998. Ms Robertson holds a Bachelor of Arts degree from the University of Adelaide, a Master of Arts from the University of Sheffield and a Graduate Diploma of Education from Monash University. Ms Robertson has had a diverse career in education, working in Japan, England and Australia.

#### DR CHRISTINE SELVEY

Dr Christine Selvey was appointed to the Board in September 2012 as a Director with immunisation expertise. Dr Selvey has had responsibility for the implementation of state immunisation programs in Queensland, the Northern Territory and Victoria. She was a member of the National Immunisation Committee (NIC) from 1999 to 2007 and has been both the NIC and the Communicable Diseases Network Australia (CDNA) representative on the Australian Technical Advisory Group on Immunisation (ATAGI).

Dr Selvey has a particular interest in HPV vaccine and was a member of the ATAGI working group that provided recommendations on the use of HPV vaccine in Australia.

With her experience in managing immunisation programs in the two Australian jurisdictions with immunisation registers combined and her experience with the Australian Childhood Immunisation Register, Dr Selvey brings a good understanding of the operation of immunisation registers to the Board.





# VICTORIAN CERVICAL CYTOLOGY REGISTRY DIRECTOR'S REPORT

The VCCR had another busy and successful year in 2012. We continue to provide an excellent service to women and health professionals, whilst monitoring and improving the quality of the work we do. The review of VCCR processes is almost complete and will ensure that we continue to improve and adapt in the future. The 2012 Statistical report shows that the incidence and mortality from cervical cancer continues to be amongst the lowest in the world and the VCCR data are an important driver of policy decisions at both the state and national level. Timely statistical data are particularly important as the cervical screening program undergoes the process of renewal and adaptation to technological change.

In 2012, the VCCR collaborated in two new studies that will provide important information for the future of the cervical screening program. First, VCS Inc was successful in obtaining highly competitive NHMRC funding for the iPap trial, an evaluation of HPV vaginal self-sampling for unscreened and underscreened women in Victoria. This study is being conducted in collaboration with The University of Melbourne and aims to see if participation in screening is higher for women who are mailed a self-sampling kit compared with women who receive a reminder letter. Self-sampling is an option that is being considered as part of the renewal of the cervical screening program. Second, the VCCR is closely involved with the Compass trial of primary HPV testing. This trial is a collaboration between VCS Inc and the University of New South Wales. The VCCR will play an important role in sending reminders to women in accordance with the recommended trial screening intervals and following up abnormalities and positive test results in the Compass trial.

Other research and evaluation activities include the successful conclusion of the Community research project in Kyabram and Warrnambool, Colposcopy Quality Assurance pilot and Safety monitoring analyses. Of particular note was a large data linkage analysis between the VCCR and the NHVPR that is providing important data on vaccine effectiveness and data to evaluate the impact of the HPV vaccination program.

Further funding has been provided by the Department of Health for the second reminder letter project, which demonstrated a significant increase in Pap tests after implementation of the second reminder letter. We continue to be involved with a range of projects related to underscreening, in partnership with Papscreen Victoria and the Department of Health.

Our Registry activities continue to expand with the successful tender to operate the participant follow up function (PFUF) for the National Bowel Cancer Screening Program (NBCSP) in Victoria. This important function follows-up participants in the NBCSP with a positive fecal occult blood test who have not yet been seen by their GP or referred for colonoscopy. PFUF staff update the national register and encourage participants to progress along the screening pathway. The project led by Tanya O'Farrell and Genevieve Chappell, was implemented successfully in March 2013 and demonstrates our ability to transfer and apply our expertise in follow-up, data and contact services to new areas and work with a range of stakeholders. The contract with the Victorian Department of Health to provide the PFUF service is for three years. The Registry also continues to work with the Department of Health and others on the delivery of cancer screening programs and services.

I would like to thank all the Registry staff, together with the ICT staff, for their hard work and dedication throughout the year.

**ASSOCIATE PROFESSOR DOROTA GERTIG**  
Medical Director – Victorian Cervical Cytology Registry



# NATIONAL HUMAN PAPILLOMAVIRUS VACCINATION PROGRAM REGISTER DIRECTOR'S REPORT



This year has seen the NHVPR grow to accommodate the extension of the National HPV Vaccination Program to include males, with an amended contract with the Department of Health to reflect these changes. The Register Information System was upgraded in three phases to ensure, as a priority, that the NHVPR could record male vaccinations from February 2013. In the following months, upgrades were made to allow consumer correspondence and priority reports to accommodate gender, with all new reporting functionality complete by the middle of the year. The NHVPR now sports a new gender-neutral look (no more pink flowers!), with revised and updated resources and a redeveloped and streamlined website to support vaccine providers, vaccine recipients and their families. The website now includes a new Research and Data page, showcasing relevant publications and links to data.

With the expansion of the program to males, with males in the first year of high school routinely eligible for vaccination and those aged 14-15 years eligible for catch up until end 2015, volumes of notifications have increased. To 30 June 2013, NHVPR had received just under 450,000 notifications for the 2012-2013 financial year, bringing the number of notifications received by the register to around 5.5 million. Previously submitted records for vaccine doses given to males prior to 2013 have also been entered onto the NHVPR. The Register performs well in the processing and handling of notifications and related work, continuing to meet our key performance indicators. The quality of the Register's data continues to be paramount, underpinning all Register activities. Regular routine quality reviews and checks continue and the Register is currently looking at enhanced processes for identifying potential duplicate records.

The Register continues to work closely with states and territories in relation to notifications and reporting. Just under 80,000 completion statements were sent to those vaccine recipients who had completed the course and over 10,000 history statements were sent to females who remain recorded as incompletely vaccinated. The register is also currently trialling the use of its reminder letter functionality, which allows for two reminders to be sent to vaccine recipients. We have also worked closely with the Department of Health this year to consider issues such as how best to routinely report coverage data, how to support improved reporting of Indigenous identification to the Register and to review opportunities for how registry services could be expanded.

This year we have analysed data from our de-identified linkage study between the VCCR and the NHVPR, undertaken in collaboration with the AIHW. Publications have been submitted reporting, for the first time, rates of cervical abnormalities stratified by HPV vaccination status and the screening participation of vaccinated women. The Register continues to provide assistance to research projects requiring verification of vaccination status and to work collaboratively with other research groups in order to undertake policy relevant research.

I would like to thank NHVPR Manager Genevieve Chappell for her always excellent organisation of the continuing work of the Register. She is a great pleasure to work with and is ably assisted by Lesley Rowlands, Daniela Petrovski and the NHVPR data managers Michelle Sansonetti, Karen Winch, Jennifer Nguyen and Chantal Kim. I am always inspired by, and ably supported and assisted by, the highly capable VCS Inc senior staff, so thanks as ever to Dorota Gertig, Matt Cunningham and the ICT team, and to Marion Saville, Mark Van Zuylenkom and the VCS Inc Board of Directors.

We await with great interest for the coverage level that has been achieved by the male HPV vaccination program and observing the continued impacts of our world-leading National HPV Vaccination Program.

**DOCTOR JULIA BROTHERTON**  
Director – National Human Papillomavirus Vaccination  
Program Register

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## GOVERNANCE

VCS Inc is incorporated under the Associations Incorporation Reform Act, 2012 (Vic) and is governed by a Board of Directors.

### PECUNIARY INTEREST

During the 2012/13 financial year, no Board Director declared a conflict of pecuniary interest in a contract with VCS Inc.

### DECLARATION OF INTEREST

During the 2012/13 the following Board Members noted their involvement with the Compass Pilot and iPap trial currently being undertaken by VCS Inc.

Mr David Wrede	Principal investigator – Compass trial Associate Researcher/Investigator - iPap grant
Ms Sandy Anderson	Investigator – Compass trial
Dr Jane Collins	Investigator on Compass

### MEETINGS OF THE BOARD AND ITS COMMITTEES

The following meetings were held during 2012/13;

- The Board of Directors met on 7 occasions.
- The Board's Audit & Finance Committee met on 5 occasions.
- The Board's Quality Assurance Committee met on 14 occasions.
  - Scientific Quality Meeting – 10 occasions
  - Operational Quality Meeting – 4 occasions

### ACCREDITATION

VCS Pathology is accredited to ISO 15189:2007 "Medical laboratories- Particular 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 Australasia (RCPA) and VCS Inc insurers.

**The NATA audit of VCS Pathology was conducted on Tuesday 27th November 2012 with the laboratory successfully accredited for a further three years.**

Our NATA Scope of Accreditation includes:

- Microbiology
- Detection and Characterisation of Microbial DNA/RNA
- Anatomical Pathology
- Histopathology of Biopsy Material
- Cytopathology, Gynaecological

### QUALITY ASSURANCE

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 support key elements of the Quality System. Quality Assurance is an important part of monitoring the health of the Quality Management System.

The Quality Assurance Committee (QAC) is a subcommittee of the Board chaired by the Executive Director. It uses statistical analyses to monitor of a range of activities including performance targets in the scientific, administration and clerical areas, audits, non conformances and document control. Results of the activities are presented to the Quality Assurance Committee Meetings and any actions identified are assigned and reported. Detailed reports of findings are presented to the Board on a quarterly basis.



## 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 ISO 31000:2009. 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 Inc 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 The National HPV Vaccination Program Register (NHVPR) to issue completion statements and to remind vaccine recipients or their immunisation providers to complete HPV vaccination courses;
- v Research to improve our knowledge, particularly of how to better prevent cancer of the cervix in women. No research publication identifies an individual person.

Full privacy policies can be viewed at:

[www.vcs.org.au](http://www.vcs.org.au)

[www.vccr.org](http://www.vccr.org)

[www.hpvregister.org.au](http://www.hpvregister.org.au)

## EQUAL EMPLOYMENT OPPORTUNITY

VCS Inc is committed to providing a workplace free of all forms of discrimination, harassment (including sexual harassment), occupational violence, victimisation and bullying. It aims for equality of opportunity for all employees – both permanent and temporary – which is consistent with our policy of merit-based selection and promotion. All employees are treated on their merit without regard to race, gender, age, marital status, religion or any other factors not applicable to their employment. By effectively implementing our EO Policy we will attract talented people and use their abilities to maximum advantage for both the organisation and employee alike.



# FINANCIAL REPORT 2013





## TREASURER'S REPORT

**VCS Inc.**, encompassing VCS Pathology, Victorian Cervical Cytology Registry and the National HPV Vaccination Program Registry produced a consolidated surplus in the Statement of Comprehensive Income of \$2,610,311 for the financial year ended 30 June 2013. The surplus included capital funding of \$2,234,050, received during the year to partially cover the cost of the upgrade of the VCS/VCCR database. The Accounting Standards require these funds be taken up as income in the year of receipt. However, as the work will not commence until the next financial year this amount has been transferred to a Designated Funds Reserve for use over the life of the project.

The underlying result for VCS Inc., without the capital funding, is a surplus of \$376,261, which is still a pleasing result and an increase on the prior year.

**VCS Pathology (VCS)** experienced growth revenue of 4.4% (excluding capital funding) providing total revenue of \$13,707,696 for the year. A substantial part of revenue was generated from cervical cancer screening, cancer recruitment, education and training grants. Trading activities, training courses and interest received provided additional income. The overall increase was due to additional funding received from the Department of Health and growth in all areas of testing, the stand out increase being Chlamydia testing which experienced growth of 10.9%.

The operating funding was utilised to finance an increase in operating expenses of 8.26%, bringing total expenses to \$14,884,057. The increase was mainly attributable to an increase in staff costs of 8.85% and medical supplies of 7.16%.

The number of Pap smears screened for cervical cancer for the financial year was 304,556 (2012: 294,308).

**Victorian Cervical Cytology Registry (VCCR)** received a 2% increase from cancer surveillance grants during the year, and additional research funding for special projects including 2nd reminder letters and the participation follow up function (PFUF) for the National Bowel Cancer Screening program (NBPSP). The projects will continue in to 2013/14, resulting in funding being carried forward.

Total expenditure increased by 5.38%, largely due to increased staff costs relating to the special projects, and offset against a reduction in operating and administration costs.

**National HPV Vaccination Program Registry (NHVPR)** received an increase in funding from the Department of Health and Ageing due to the addition of males to the register in line with the amended contract. The funding was utilised for the stated purpose to cover operating expenses and the mail out of completion and history statements. The revenue increased by 7.74% to \$3,668,576, while expenses decreased by 20.86% due to the reduction in depreciation and amortisation for the year.

### SUMMARY

The support provided by the Victorian and Commonwealth Governments has been invaluable in assisting the organisation perform the core activities.

The Department of Health provided funding during the year, 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 cytology training to the profession and a confidential database of women's Pap test and other related test results in Victoria, along with funding for research projects.

The Department of Health and Ageing provided funding to maintain the HPV registry, as part of the national HPV vaccination program to monitor females and males receiving the HPV vaccine.

**JULIANN BYRON**  
Treasurer  
VCS Inc.



VCS



VCS Pathology



Victorian Cervical  
Cytology Registry



National HPV Vaccination  
Program Register



# STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2012/13 \$	2011/12 \$
Revenue from operating activities	2	18,459,891	17,499,954
Revenue from non operating activities	2	641,929	757,964
Wages and salaries	4	(13,309,088)	(12,152,205)
Operating and administration costs	4	(3,565,152)	(3,596,754)
Medical supplies	4	(1,004,643)	(937,477)
<b>NET RESULT BEFORE CAPITAL ITEMS AND SPECIFIC ITEMS</b>		<b>1,222,937</b>	<b>1,571,482</b>
Capital purpose income	2	2,349,310	147,023
Depreciation and amortisation	4	(954,532)	(1,537,780)
Loss on sale of non current assets	4	(7,404)	-
		<b>1,387,374</b>	<b>(1,390,757)</b>
<b>NET RESULT FOR THE YEAR</b>		<b>2,610,311</b>	<b>180,725</b>
Other comprehensive income			
Items that will be reclassified to profit and loss when specific conditions are met:		-	-
Items that will not be reclassified to profit and loss when specific conditions are met:		-	-
<b>TOTAL COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>2,610,311</b>	<b>180,725</b>

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

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2013

	Notes	2012/13 \$	2011/12 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	8,468,315	3,971,929
Financial assets	7	9,694,822	9,487,829
Trade and other receivables	8	352,739	413,099
Inventories	9	77,901	78,163
Other current assets	10	282,868	243,829
Total current assets		18,876,645	14,194,849
<b>NON-CURRENT ASSETS</b>			
Plant, equipment & vehicles	11	1,947,820	2,205,194
Intangible assets	12	624,681	519,595
Total non current assets		2,572,501	2,724,789
<b>TOTAL ASSETS</b>		<b>21,449,146</b>	<b>16,919,638</b>
<b>CURRENT LIABILITIES</b>			
Unexpended grants	13	2,160,238	1,576,437
Payables	14	2,192,845	1,515,469
Provisions	15	3,704,915	3,229,069
Total current liabilities		8,057,998	6,320,975
<b>NON-CURRENT LIABILITIES</b>			
Provisions	15	841,079	658,905
Total non current liabilities		841,079	658,905
Total liabilities		8,899,077	6,979,880
<b>NET ASSETS</b>		<b>12,550,069</b>	<b>9,939,758</b>
<b>EQUITY</b>			
Accumulated surplus	16	10,316,019	9,939,758
Designated funds reserve	16	2,234,050	–
<b>TOTAL EQUITY</b>		<b>12,550,069</b>	<b>9,939,758</b>

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

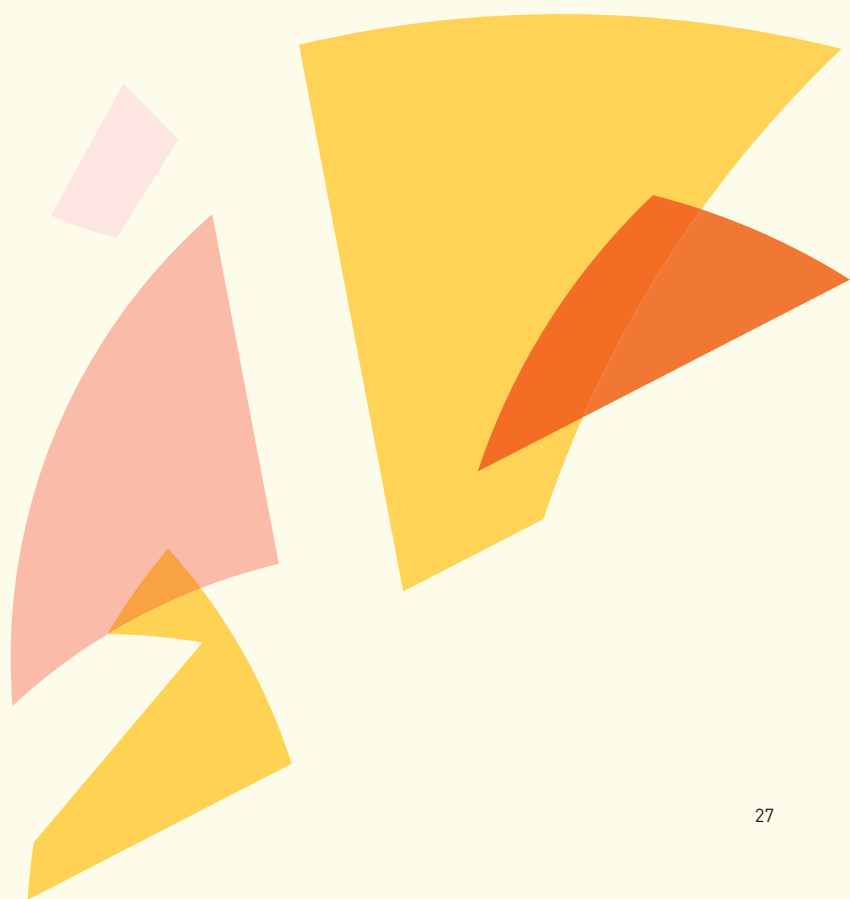


# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Accumulated surplus \$	Designated Funds Reserve \$	Total Equity \$
<b>BALANCE AT 30 JUNE 2011</b>	9,759,033	–	9,759,033
<b>Comprehensive result for the year</b>	180,725	–	180,725
Transfer	–	–	–
<b>BALANCE AT 30 JUNE 2012</b>	9,939,758	–	9,939,758
<b>Comprehensive result for the year</b>	2,610,311	–	2,610,311
Transfer	(2,234,050)	2,234,050	–
<b>BALANCE AT 30 JUNE 2013</b>	<b>10,316,019</b>	<b>2,234,050</b>	<b>12,550,069</b>

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



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	2012/13 \$	2011/12 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Receipts</i>		
Receipts from trading activities	1,592,468	1,711,407
Interest received	766,949	726,706
Receipts from grants	21,703,901	17,668,108
<i>Payments</i>		
Wages and salaries	(12,954,260)	(11,667,225)
Suppliers	(5,604,781)	(5,945,779)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>5,504,277</b>	<b>2,493,217</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for term deposits	(206,993)	(587,917)
Purchase of plant, equipment and intangibles	(891,303)	(1,032,945)
Proceeds from sale of plant and equipment	90,405	166,457
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(1,007,891)</b>	<b>(1,454,405)</b>
<b>NET INCREASE(DECREASE) IN CASH HELD</b>	<b>4,496,386</b>	<b>1,038,812</b>
Cash and cash equivalents at the beginning of the financial year	3,971,929	2,933,117
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>8,468,315</b>	<b>3,971,929</b>
<b>RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING RESULT</b>		
Comprehensive result for the year	2,610,311	180,725
Depreciation and amortisation	954,532	1,537,780
Loss (profit) on sale of fixed assets	(1,346)	(56,506)
Change in operating assets/liabilities:		
(Increase) decrease in accounts receivable and other assets	33,791	274,832
(Increase) decrease in inventories	(12,208)	2,528
(Decrease) increase in payables and unexpended grants	1,261,177	286,002
(Decrease) increase in provision for employee entitlements	658,020	267,856
	<b>5,504,277</b>	<b>2,493,217</b>

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 2013

## 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 Reform Act, 2012 (Vic). Victorian Cytology Service Inc comprises the VCS Pathology, 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. Accordingly, the association has also early adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2012-7: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements in respect of AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets and AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income.

### (b) Basis of Preparation

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 Reform Act, 2012 (Vic).

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented in these financial statements for the year ended 30 June 2012.

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) Taxation

The activities of the Victorian Cytology Service Inc. are exempt from income tax under Div 50 of the Income Tax Assessment Act 1997 and payroll tax.

### (d) Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential. 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 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 of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit. 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 profit and loss.

### (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 organisation 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.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

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

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

## *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 (2012:3 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 provided 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 plus related oncosts. 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 plus related oncosts. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected future cash outflows. In calculating the leave liability, the remuneration rates used are those expected to apply at the time of settlement.

## *Superannuation*

Payments made to defined contribution plans are expenses when incurred. VCS has minimal exposure to liability arising from defined benefit plan liability as highlighted in note 20. In view of this, the amount is not recognised on the basis that it is immaterial.

## **(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**

Non-reciprocal grant revenue is recognised in profit or loss when the organisation obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the organisation incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

## **(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 2012 and 2013.

## **(r) Economic Dependence**

The organisation is dependent on the Department of Health and the Department Health & Ageing for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Departments will not continue to support the organisation.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2: REVENUE	Notes	VCS 2012/13 \$	VCCR 2012/13 \$	NHVPR 2012/13 \$	Total 2012/13 \$	VCS 2011/12 \$	VCCR 2011/12 \$	NHVPR 2011/12 \$	Total 2011/12 \$
<b>REVENUE FROM OPERATING ACTIVITIES</b>									
<b>Government grants</b>									
Department of Health		11,408,993	1,382,808		12,791,801	10,915,451	1,598,921	–	12,514,372
Department of Health & Ageing		–	175,720	3,664,197	3,839,917	–	–	3,079,257	3,079,257
Indirect contributions by Department of Health	3	25,055			25,055	30,453	–	–	30,453
Patient fees		1,477,894			1,477,894	1,305,999	–	–	1,305,999
Other revenue from operating activities		158,434		800	159,234	135,111	20,713	3,917	159,741
		<b>13,070,376</b>	<b>1,558,528</b>	<b>3,664,997</b>	<b>18,293,901</b>	<b>12,387,014</b>	<b>1,619,634</b>	<b>3,083,174</b>	<b>17,089,822</b>
<b>TRANSFER UNEXPENDED GRANTS</b>									
Operating funding transferred from prior year		97,344	179,146		276,490	110,092	225,644	317,427	653,163
Operating funding transferred to following year		–	(110,500)	–	(110,500)	–	(243,031)	–	(243,031)
		<b>13,167,720</b>	<b>1,627,174</b>	<b>3,664,997</b>	<b>18,459,891</b>	<b>12,497,106</b>	<b>1,602,247</b>	<b>3,400,601</b>	<b>17,499,954</b>
<b>REVENUE FROM NON OPERATING ACTIVITIES</b>									
Bank interest		531,226	98,375	3,578	633,179	576,563	120,512	4,383	701,458
Profit on sale of non current assets		8,750	–	–	8,750	56,506	–	–	56,506
		<b>539,976</b>	<b>98,375</b>	<b>3,578</b>	<b>641,929</b>	<b>633,069</b>	<b>120,512</b>	<b>4,383</b>	<b>757,964</b>
<b>REVENUE FROM CAPITAL PURPOSE INCOME</b>									
Department of Health		2,879,055	–	–	2,879,055	464,367	–	–	464,367
		<b>2,879,055</b>	<b>–</b>	<b>–</b>	<b>2,879,055</b>	<b>464,367</b>	<b>–</b>	<b>–</b>	<b>464,367</b>
<b>Transfer unexpended grants</b>									
Capital funding transferred from prior year		115,260			115,260	147,023		–	147,023
Capital funding transferred to following year		(645,005)			(645,005)	(464,367)		–	(464,367)
		<b>2,349,310</b>	<b>–</b>	<b>–</b>	<b>2,349,310</b>	<b>147,023</b>	<b>–</b>	<b>–</b>	<b>147,023</b>
<b>Total Revenue</b>		<b>16,057,006</b>	<b>1,725,549</b>	<b>3,668,575</b>	<b>21,451,130</b>	<b>13,277,198</b>	<b>1,722,759</b>	<b>3,404,984</b>	<b>18,404,941</b>

## NOTE 3: INDIRECT CONTRIBUTIONS BY DEPT OF HEALTH

The Department of Health 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 4: EXPENSES	VCS 2012/13 \$	VCCR 2012/13 \$	NHVPR 2012/13 \$	Total 2012/13 \$	VCS 2011/12 \$	VCCR 2011/12 \$	NHVPR 2011/12 \$	Total 2011/12 \$
Wages and salaries	11,163,875	1,126,619	1,018,594	13,309,088	10,255,997	926,318	969,890	12,152,205
Operating and administration costs	1,953,883	519,272	1,091,997	3,565,152	1,809,563	638,786	1,148,405	3,596,754
Medical supplies	1,004,643	–	–	1,004,643	937,477	–	–	937,477
Depreciation and amortisation	754,252	18,181	182,099	954,532	744,957	14,082	778,741	1,537,780
Loss on sale of non current assets	7,404	–	–	7,404	–	–	–	–
	<b>14,884,057</b>	<b>1,664,072</b>	<b>2,292,690</b>	<b>18,840,819</b>	<b>13,747,994</b>	<b>1,579,186</b>	<b>2,897,036</b>	<b>18,224,216</b>

NOTE 5: AUDITOR'S REMUNERATION	2012/13 \$	2011/12 \$
Auditors remuneration - auditing the accounts	16,065	14,500

## NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	444,525	387,929
Deposits at call	8,023,790	3,584,000
	<b>8,468,315</b>	<b>3,971,929</b>

## NOTE 7: FINANCIAL ASSETS

Term Deposits	9,694,822	9,487,829
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## NOTE 8: TRADE AND OTHER RECEIVABLES

<b>Current</b>		
Trade debtors and accrued revenue	233,976	169,508
Provision for impairment of receivables	(2,391)	(1,651)
	231,585	167,857
Interest receivable	121,154	245,242
	<b>352,739</b>	<b>413,099</b>

### NOTE 8.1: Trade Receivables

Settlement terms and the basis for determining the allowance for doubtful debts are outlined in Note 1 (m).		
<b>Movement in the allowance for doubtful debts</b>		
Balance at the beginning of the year	1,651	7,185
Impairment losses recognised on receivables	32,000	19,000
Amounts written off during the year as uncollectible	(31,260)	(24,534)
Balance at the end of the year	<b>2,391</b>	<b>1,651</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 9: INVENTORIES	2012/13 \$	2011/12 \$
Medical and surgical supplies	77,901	78,163
	77,901	78,163
The cost of medical supplies is listed in Note 4.		

NOTE 10: OTHER CURRENT ASSETS		
Prepayments	282,868	243,829
	282,868	243,829

NOTE 11: PLANT, EQUIPMENT & VEHICLES		
Plant and equipment at cost	4,598,824	4,363,059
Accumulated depreciation	(3,602,341)	(3,201,996)
Written down value	996,483	1,161,063
Leasehold improvements at cost	956,301	954,711
Accumulated amortisation	(277,430)	(237,902)
Written down value	678,871	716,809
Vehicles at cost	447,566	455,358
Accumulated depreciation	(175,100)	(128,036)
Written down value	272,466	327,322
Carrying amount at the end of the year	1,947,820	2,205,194

Movement in carrying amounts	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Total
Balance at the beginning of the year	1,161,063	327,322	716,809	2,205,194
Additions	281,194	143,409	1,590	426,193
Disposals	(5,199)	(83,861)	–	(89,060)
Depreciation	(440,575)	(114,404)	(39,528)	(594,507)
Carrying amount at the end of the year	996,483	272,466	678,871	1,947,820

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 12: INTANGIBLES		2012/13 \$	2011/12 \$
Software and licences at cost		5,566,439	5,101,325
Accumulated amortisation		(4,941,758)	(4,581,730)
Carrying amount at the end of the year		624,681	519,595
<b>Movement in carrying amounts</b>	Software	Licences	Total
Balance at the beginning of the year	516,340	3,255	519,595
Additions	456,791	8,320	465,111
Amortisation	(354,924)	(5,101)	(360,025)
Carrying amount at the end of the year	618,207	6,474	624,681

NOTE 13: UNEXPENDED GRANTS	\$	\$
Capital funding transferred to following year	1,497,980	1,018,234
Operating funding transferred to following year	662,258	558,203
	2,160,238	1,576,437

## NOTE 14: PAYABLES

<b>Current Unsecured:</b>		
Trade creditors	550,944	606,332
Other creditors	1,641,901	909,137
	2,192,845	1,515,469

The average trading terms are 30 days

## NOTE 15: PROVISIONS

<b>EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Provision for annual leave - short term	933,140	868,390
Provision for annual leave - long term	521,952	439,767
Provision for long service leave	2,070,260	1,795,069
Provision for sabbatical leave	179,563	125,843
	3,704,915	3,229,069
<b>Non-Current</b>		
Provision for long service leave	841,079	658,905
	841,079	658,905

The current portion for this provision includes the total amount for the annual leave and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the service does not expect the full amount of annual and long service leave balance classified as a current liability to be settled within the next 12 months. These amounts are classified as current since the service does not have an unconditional right to defer the settlement of these amounts, in the event of employees wishing to take their leave.

<b>Employee numbers</b>		
Average number of employees during the financial year	155	145



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2013

#### 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 the upgrade of the VCS/VCCR data base.

The amortisation of the upgrade will be allocated against the capital funds over the expected life of the upgrade.

#### NOTE 17: FINANCIAL RISK MANAGEMENT

The organisation's financial instruments consist mainly of deposits with banks, receivable and payable.

The organisation did not have any derivative instruments at 30 June 2013 and 2012.

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	2012/13 \$	2011/12 \$
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	6	8,468,315	3,971,929
Trade receivables	8	231,585	167,857
Other receivables	8	121,154	245,242
Term deposits	7	9,694,822	9,487,829
<b>Total Financial Assets</b>		<b>18,515,876</b>	<b>13,872,857</b>
<b>FINANCIAL LIABILITIES</b>			
Payables	14	550,944	606,332
Other	14	1,641,901	909,137
<b>Total Financial Liabilities</b>		<b>2,192,845</b>	<b>1,515,469</b>

None of the organisation's financial instruments are recorded at fair value.

#### NOTE 18. ASSOCIATION DETAILS

The principal address of the business of the Association is:

Victorian Cytology Service Inc.  
265 Faraday Street  
Carlton South, Vic. 3053

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 19: RELATED PARTIES

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

There were no transactions that require disclosure for the year ended 30 June 2013 and 2012.

The Directors did not receive any remuneration during the financial year ended 30 June 2013 and 2012.

Key management personnel compensation	2012/13 \$	2011/12 \$
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	1,161,681	1,111,782
Post-employment benefits	76,455	88,341
	1,238,136	1,200,123

There were no transactions between the organisation and the directors during the year.

### NOTE 20: DEFINED BENEFITS SCHEME

The organisation contributes to a Defined Benefit Scheme maintained by First State Super Fund (previously 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 management have determined, based on the indicative earnings of the Fund for the year ended 30 June 2013, that the result will not require a call for additional funding be made.

NOTE 21: COMMITMENTS	2012/13 \$	2011/12 \$
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	130,336	121,478
Later than one year but not later than five years	–	–
	130,336	121,478

NOTE 22: CONTINGENT LIABILITIES	2012/13 \$	2011/12 \$
Bank Guarantee secured against a Term Deposit	82,280	76,647

The amount disclosed represents a Bank Guarantee equivalent to 6 month's rent for the property leased at Victoria Parade, East Melbourne, payable on default of rent.

### NOTE 23: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors dated 22nd November 2013.

No significant events have occurred since reporting date to the date of this report that have or may significantly affect the activities of the organisation, the results of those activities, or the state of the affairs of the organisation in the ensuing or any subsequent financial years.

## DIRECTORS' DECLARATION



Victorian Cytology Service Inc

### DIRECTORS' DECLARATION

In the opinion of the Board of Directors, the financial report as set out on pages 22 to 36

- 1) Presents a true and fair view of the financial position of Victorian Cytology Services Inc. as at 30 June 2013 and its performance for the year ended on that date in accordance with Australian Accounting Standards Reduced Disclosure Requirements; and
- 2) At the date of this statement, there are reasonable grounds to believe that Victorian Cytology Service Inc. will be able to pay its debts as and when they fall due.

In addition:

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 2013 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.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:

Dr Jane Collins  
Chairperson

22 November 2013.

Date

Ms Juliann Byron  
Treasurer

22 November 2013

Date

## INDEPENDENT AUDIT REPORT



Accountants | Business and Financial Advisers

### **Independent Auditor's Report to the members of Victorian Cytology Service Inc.**

#### ***Report on the Financial Report***

We have audited the accompanying financial report of Victorian Cytology Service Inc., ("the Organisation"), which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### ***Directors' Responsibility for the Financial Report***

The directors of the Organisation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organisation's preparation of the financial report that gives a true and fair view 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 Organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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 the Australian professional accounting bodies.

## ***Opinion***

In our opinion the financial report of Victorian Cytology Service Inc. is in accordance with the *Associations Incorporation Reform Act 2012*, including:

- i. Giving a true and fair view of the Organisation's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

## ***Matters relating to the electronic presentation of the audited financial report***

This Auditor's Report relates to the financial report of Victorian Cytology Service Inc. for the financial year ended 30 June 2013 published in the annual report and included on the Organisation's website. The Organisation's directors are responsible for the integrity of the Organisation's website. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report identified above.

It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a web site they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this web site version of the financial report.



**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
22 November 2013



**Jude Lau**  
**Partner**

### **HLB Mann Judd (VIC Partnership)**

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## PRELIMINARY NOTICE – PCC2014

### Preventing Cervical Cancer 2014: Integrating screening and vaccination

**5th – 7th December 2014  
MELBOURNE, VICTORIA  
AUSTRALIA**

Following the success of the two previous conferences, a third conference has been scheduled for late 2014.

PCC2014 will provide an update on developments across all aspects of cervical cancer prevention and will facilitate a free flow of communication between the different divisions and disciplines.

This major health conference will bring together international and Australian experts in cervical screening, vaccination and cancer epidemiology to debate

and explore current and future directions in the prevention of cervical cancer in Australia and within resource poor settings, particularly in our region.

The dates of the conference will coincide with the 50th Anniversary of the establishment of the Victorian Cytology Service.

PCC2014 will be held at the Sofitel, Collins St Melbourne and the networking dinner will be held at Melbourne's iconic Arts Centre.

PCC2014 will provide a forum for leading experts to share their vision and influence policy development in the prevention of cervical cancer.

**For further information  
and ongoing notification  
about this important  
conference please email  
[PCC2014@vcs.org.au](mailto:PCC2014@vcs.org.au)**



VCS



# PCC2014

## CONFERENCE

### 5-7 December 2014

Preventing Cervical Cancer:  
Integrating Screening  
and Vaccination.











