



**SONIC
HEALTHCARE
LIMITED**

2 March 2011

Australian Pathology – Market Update

At 4:00 PM yesterday (1 March 2011), the Australian Minister for Health and Ageing, the Hon. Nicola Roxon, convened a meeting of pathology industry representatives (including Sonic Healthcare) to announce a fresh approach to pathology funding in Australia. The Minister indicated the Government's preference for a negotiated agreement between industry and Government covering funding and other aspects of Australian pathology service provision.

Sonic Healthcare believes that the Government's recognition of the desirability of reaching a mutually acceptable arrangement is a very positive development, and that both industry and Government are committed to the process and understand the necessity for a fair and reasonable outcome for all stakeholders.

The negotiation is to be completed within the next thirty days and, if successful, may become integrated into the process for the May 2011 Federal Budget.

The Government's Pathology Strategic Review process has now been completed, with yesterday's release of a final discussion paper. This paper includes a range of options which may, amongst others, be considered in the negotiation process. The pathology industry recognises the need to achieve savings against the Government's forward estimates of outlays, which are the outlays for pathology that the Government was anticipating having to spend over the next four years. Sonic believes this can be achieved in a manner which will not jeopardise the stability of the industry.

Sonic Healthcare welcomes the opportunity to engage with Government via its industry body, the Australian Association of Pathology Practices (AAPP) in a collaborative, constructive and positive spirit. The Government has selected the AAPP to be the sole negotiator on behalf of the industry. We look forward to an outcome that is fair to all parties and which provides industry stability and a strong and viable pathology industry for all Australians.

For further information regarding this announcement please contact:

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