Medical Technology Association of Australia

30 YEARS SUPPORTING MEDICAL TECHNOLOGY IN AUSTRALIA

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA

ANNUAL REPORT 2009/2010

MEDICAL TECHNOLOGY FOR A HEALTHIER AUSTRALIA

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Vision

- Medical technology for a healthier Australia

Corporate Goals

- To be recognised as the peak body representing the medical technology industry
- To deliver indispensable value to members
- To be an influential partner in the healthcare environment

Mission

To ensure the benefits of modern, innovative and reliable medical technology are delivered to the community for a healthier Australia.

Values

- Leadership
- Influence
- Collaboration
- Integrity

About MTAA

The Medical Technology Association of Australia (MTAA) is the national association representing companies in the medical technology industry. MTAA aims to ensure the benefits of modern, innovative and reliable medical technology are delivered effectively to provide better health outcomes to the Australian community.

MTAA represents manufacturers and suppliers of medical technology used in the diagnosis, prevention, treatment and management of disease and disability. The range of medical technology is diverse with products ranging from familiar items such as syringes and wound dressings, through to high-technology implanted devices such as pacemakers, defibrillators, hip and other orthopaedic implants. Products also include hospital equipment, diagnostic imaging equipment such as ultrasounds and magnetic resonance imaging machines.

MTAA members supply approximately 70% of the non-pharmaceutical products used in the treatment of disease and disability in Australia. Our member companies also play a vital role in providing healthcare professionals with essential education and training to ensure safe and effective use of medical technology.

The Australian medical technology industry:

- includes local small to medium sized manufacturers (which often have a niche product), Australian-based global companies, distributors, and subsidiaries of global companies
- earned export revenue of $1.6 billion in 2008-2009
- employs more than 17,500 people
- earned $7.4 billion in sales of aids and appliances, medical & surgical supplies (including surgically implanted prostheses) and major medical equipment

Message from the Chair

As the Chair of the Medical Technology Association of Australia it is my pleasure and a privilege to report on the activities of the Association for the financial year ending 30 June 2010. Having been elected as Chair halfway though this financial year, my report will cover some activities that occurred while Gus Taddeo and Simon Hearne were chairing the Board.

The past financial year was dominated by discussion on healthcare and hospitals reform. Australia, like so many other countries, is faced with a growing demand in health services. This trend is set to continue as the population ages. Medical technology can play a significant part in improving quality of life of patients while at the same time delivering savings to the health system. It is one of the roles of MTAA to articulate the value of medical technology to the public. A project to collate the evidence behind the claims was started this financial year and is set to continue.

As the federal and state governments are working on the detailed implementation of the healthcare and hospitals reforms, it is important to have a unified and strong voice speaking on behalf of the medical technology industry.

MTAA has contributed positively to health policy development through engagement with Government, bureaucracy and other stakeholders. Our advocacy activities resulted in securing a seat at the table when important reforms for the industry are discussed. One example of this engagement was the Health Technology Assessment (HTA) Review, the final report and its recommendations. Further consultation is needed on the details of the implementation of the recommendations.

The Board continued its engagement with members and other industry colleagues through networking functions in Sydney, Melbourne and Brisbane. In April 2010 a networking function in Adelaide gave the opportunity to meet with members and stakeholders from South Australia.

In December 2009 the Board came together for a strategic planning day to review the strategic direction of the Association. The Vision, Values, Mission and Corporate Goals, originally determined as part of the 2007 Strategic Plan, were confirmed for 2010 and, together with strategies and actions, should guide us for the years ahead.

I would like to thank past and present Board Directors for their contributions and support during the year. I would also like to acknowledge the tireless efforts and work accomplished by CEO Anne Trimmer and all the staff of the Association.

I look forward to your continued support for a successful year ahead.

Dr Bronwyn Evans
Chair MTAA

CEO's Report

The past year brought with it a raft of policy reforms in the health sector with many issues of significance to companies in the medical technology industry. The financial crisis continues to have an impact on availability of funds for smaller companies but overall the medical technology industry has come through the past year in a strong position.

I am pleased to report to you on some of the highlights of the past year.

Review of Health Technology Assessment

In late May 2009 MTAA lodged a substantial submission to the Review of Health Technology Assessment. The submission drew on the contributions of many members and international industry expertise, as well as a major commitment from the secretariat of MTAA. The outcomes of the Review were announced by Ministers Roxon and Tanner in late February 2010 and reflect many of the proposals included in our submission. These include:

- A simplified pathway for the lodgment and assessment of new products through the MSAC and PDC processes, in parallel with the regulatory assessment undertaken by the Therapeutic Goods Administration (TGA)
- Improved transparency in the processes for assessment of new products for listing on the Prostheses List, and a much enhanced and more equitable body to make the assessments with expertise from health economists, health policy specialists and an independent Chair
- Simplified reimbursement of 'me too' products which fall within an existing group, with evidence requirements to support a claim for a premium based on superior clinical outcomes.

MTAA is continuing its discussions with the Department of Health and Ageing (DoHA) to refine aspects of the listing process, including the mechanisms for grouping, determining the benchmark benefit, and agreeing the evidence required to support an application for a premium.

Healthcare reform

The Federal Government has outlined its proposals for national hospital funding reforms, including the establishment of local hospital networks and a contribution of 60% of funding. The reforms will include a move to activity-based funding, using the Victorian approach as the model. MTAA will remain engaged in the reform process to ensure appropriate inclusion of, and funding for, medical technologies. Activity-based funding requires sufficient flexibility to enable uptake of newer appropriate technologies as they emerge.

The Federal Government has also embarked on a review of medical procedures and the process for listing on the MBS. MTAA is engaged with DoHA on industry issues with the current processes and proposed reforms.

In early 2010, MTAA made a submission to the Review of Funding of Diagnostic Imaging Services, which included commentary on the need for inclusion of new funding arrangements for remote diagnosis.

MTAA has been engaged with the Australian Commission on Safety and Quality in Healthcare, with submissions for consideration as part of the Commission's development of national safety and quality standards. The submissions have addressed the framework for national standards, and standards for infection control. These will also be relevant in the new Commonwealth funding arrangements for local hospital networks as hospitals will be required to comply with the new national standards.

Budget submission

MTAA submitted a major costed proposal for consideration in the 2010 Federal Budget, for the establishment of an Essential Care List scheme, a project we have been working on for the past two years. The scheme will enable subsidized access by patients to medical consumable

products in the community or residential care setting. The products generally do not receive any form of subsidy or, if they do, the subsidies vary from State to State and patient to patient. The proposed scheme has received strong interest from some Government and Opposition members of parliament. We will continue our advocacy on this proposal in the lead up to the Federal election, and in our submissions to the current Productivity Commission inquiries into disability services and aged care services.

Needlestick safety in the healthcare workplace

The health and safety of those working in the healthcare sector is a key concern for the industry. During 2009, MTAA established a coalition with other interested groups including the Australian Nursing Federation, the Royal College of Nursing Australia, the Royal College of Pathologists of Australasia and the Australian Infection Control Association, to pursue a campaign to replace traditional sharps in healthcare settings with safety engineered medical devices, supported by better education and mandatory reporting of incidents. The campaign has attracted significant interest from a wide range of healthcare workers, occupational health and safety managers, and hospitals. We will be continuing our advocacy with the Alliance over the coming year, working with Safe Work Australia for the implementation of a national approach.

Regulatory reforms

TGA undertook public consultations on third party conformity assessment and the reclassification of orthopaedic joints during 2009. With the release of the Report of the Review of HTA, TGA is expected to implement the outcomes of these consultations with a response anticipated for mid-2010. MTAA's primary concern on reclassification is to ensure continued alignment with European regulation, in conformity with the objectives of the Global Harmonisation Task Force. Australia chairs the GHTF at present (Dr Larry Kelly of TGA) and I am the Vice Chair, representing Australian industry.

Code of Practice

The industry's Code of Practice remains a lynchpin for the ethical engagement between healthcare professionals and industry. As the arrangements under the Code mature we have seen responses in the past year from professional clinical bodies implementing their own Codes which parallel the MTAA Code. We have also seen moves by the Australian Orthopaedic Association to require exhibitors at its scientific meetings to adhere to an industry code.

The Federal Government is examining mechanisms to 'level the playing field' between members and non-members of the therapeutic industry associations. We will see further developments in the compliance area, driven in part by consumer interest in Australia and by the significant reforms underway in the United States following the passage of the Obama health care legislation.

Member support

MTAA has continued to provide first class education and training during the past year, moving more programs to online learning which enables greater access by company personnel.

The Annual Conference in 2009 offered a range of excellent plenary sessions with first class speakers, and a workshop program that addressed many of the issues which members are grappling with in their businesses.

This year MTAA has strengthened its research capacity with the recruitment of two researchers to develop material to add weight to our submissions and public information. One of our researchers is dedicated to the Value of Technology project which is analyzing the costs and benefits of a range of technologies. The outcome of this research will support our advocacy for funding in, and support for, a range of technologies that might not have strong Australian evidence to date.

Two additional committees have been created this year – Safety & Quality to focus on the development of national safety and quality standards and to co-ordinate MTAA input into these reviews, and the Small & Emerging Company Forum, to support our smaller Australian companies which now make up about 18% of our membership.

During the year we have hosted a range of networking events and seminars (in most capital cities) with interesting and stimulating speakers, as well as quarterly CEO Forums in which we have considered and debated many healthcare challenges.

Thank you for your support over the past year. MTAA has achieved much in that time on your behalf. We will continue to be relevant and to make meaningful contributions to public policy with your support – both financial and through participation in our committees.

International engagement

During the past year I have been actively involved in global developments impacting the medical technology industry. A more formalized group of industry associations (AdvaMed, Eucomed, Medec, Medical Technology Association of New Zealand and MTAA) has formed the Global Medical Technology Alliance to pursue industry policies at the global level. GMTA has been working with the World Health Organisation on a series of projects on medical technology and its application to third world health care systems.

MTAA has contributed to the work currently underway by the Department of Foreign Affairs and Trade in developing a multilateral agreement known as the Trans Pacific Partnership. MTAA has proposed that the agreement address the need for harmonised regulation in the region, inclusion of the need for good compliance practices and transparent arrangements for procurement.

I would like to thank the members of MTAA for their support and contributions over the past year. Your input into the work of the committees, and in preparing submissions is greatly valued. I would also like to thank the Board for its guidance and in particular the Chair, Dr Bronwyn Evans. Finally I would like to recognize the significant efforts of the staff of MTAA over the past year and their commitment to ensuring good outcomes for MTAA's members.

Anne Trimmer
Chief Executive Officer

MTAA Board Members

David Akeroyd
Managing Director, Australia and New Zealand, Baxter Healthcare
BSci (Victoria University of Wellington)

David's career has been spent entirely in the medical industry. Leaving New Zealand in 2002 as Country Manager (Diagnostics) for Abbott Laboratories, he took up a dual regional role in Japan as Commercial Director, Asia Pacific and Marketing Head for Abbott's Japanese affiliate. In 2005 David was offered a role as Vice President with Baxter Healthcare based in Singapore and set up business development teams in Asia Pacific. Regional roles included General Manager for the North Asia group of countries and India. David took up his current role in 2008.

Kevin Barrow
Managing Director, Australia and New Zealand, Becton Dickinson
BSci, MSci (Hons 1) (Waikato University), MBA (MGSM)

In 2004 Kevin joined Becton Dickinson (BD) as the Business Director for BD Medical. In 2006, he assumed the role of Managing Director for BD Australia and New Zealand. Prior to joining BD, Kevin worked with Eli Lilly, a United States based multi-national pharmaceutical company. There he held numerous roles in sales and marketing management in both Australia and New Zealand. His final role at Eli Lilly Australia was as Sales Director. Born in New Zealand, Kevin has always had an interest in science and healthcare.

Carmen Byrne
General Manager Healthcare, Australia and New Zealand, 3M Australia
BSci (CCAE), MBA (MGSM)

Carmen has worked in the health care industry for over 20 years in the areas of clinical research, quality management and sales and marketing. With an interest in wider health policy issues, Carmen is currently undertaking post graduate studies in health policy with the University of Sydney.

Mike Daly
Vice President & General Manager, Asia & Australia and New Zealand, Bard
BSci/BA Coraopolis (PA, USA) IEP (INSEAD)

Prior to his appointment at Bard in 2007, Mike spent 16 years with the Boston Scientific Corporation in a variety of senior sales, marketing and management roles. His career with Boston has encompassed assignments in North America, the Middle East, Southeast Asia and China.

Bronwyn Evans
Senior Vice President, Quality and Regulatory, Cochlear
BE (Elec), Hons 1, PhD (UoW), FIEAust, MAICD

Bronwyn has worked with Cochlear for 4 years with responsibility for the design and implementation of the global QMS Regulatory Compliance programs across jurisdictions including Australia, America, Europe, China and Japan. Bronwyn also has senior involvement in the operational areas of design control and manufacturing with Cochlear. Prior to joining Cochlear, Bronwyn gained over 20 years experience in a range of industries including power generation and distribution, standards development and engineering education. Bronwyn was appointed Chair of MTAA on 8 December 2009.

Namal Nawana
Managing Director, Johnson & Johnson Medical
BEng (Hons), MMedSc (UoA), MBA (Henley Management College)

Namal's professional training and experience has been entirely devoted to the medical technology industry. He has worked as a research engineer in Australia, as a product development engineer in Europe and has collaborated to introduce new technologies to market at a global level. Namal has had a number of senior national, regional and global roles for DePuy and Johnson & Johnson.

Phil Nicholl
Managing Director, Australia and New Zealand, Stryker South Pacific
Bachelor of Business (Marketing), CSU

Phil has been in the medical device sector for over eighteen years, during which he has held various senior management positions in Australia, Asia and Europe. Prior to returning to Australia, Phil held the positions of Vice President of Marketing, Stryker Pacific, Managing Director, Stryker Southern Asia and President Asia Pacific, Cochlear Ltd.

Julianne Prowse
General Manager, Coloplast
MBA (Swinburne)

Julianne has been with Coloplast in Australia and the US for 20 years. Before Julianne's appointment to her current role, she worked with Coloplast in the US for four years as General Manager, Breast Care and Vice President, Ostomy Care. Prior to joining Coloplast, Julianne worked in a number of industries including travel, recruitment and pharmaceutical sales.

Murthy Simhambhatla
General Manager, Australia & New Zealand, Abbott Vascular
PhD, Polymer Science (University of Akron, USA)

Murthy has over 12 years of experience in the medical device industry in various roles including research and development, manufacturing, new ventures and commercial operations. He started in the industry with the Guidant Corporation and subsequently joined Abbott Laboratories as Vice President for drug eluting stents through their acquisition of Guidant's vascular business. Prior to this, Murthy worked in the electronics and aerospace industries.

Jamie Stanistreet
Managing Director, Australia and New Zealand, Medtronic
Accounting and Marketing (UNSW)

Jamie joined Medtronic in 1999 following its acquisition of AVE Inc and was appointed to the Managing Director role in 2001. Prior to joining Medtronic he worked in senior sales and marketing roles with Bard Australia. Jamie has also worked with 3M and Biospectrum. He is currently Vice Chair of the Board.

Michael Trevaskis
Director Sales and Marketing, Device Technologies
BHlthSci, DipHthSci (Nursing), Latrobe

Mick commenced his medical career as a registered nurse in Melbourne in 1993 before running a family owned business for two years. In 1998 he joined Device Technologies as an orthopaedic product specialist. Since then Mick has held a number of senior positions overseeing orthopaedic products. From 2003 he has been responsible for all sales and marketing activities for Device Technologies. Mick is currently Treasurer of MTAA.

Previous Board Directors

Duncan Fatkin

General Manager, Orthopaedics; Smith & Nephew Surgical
BA (Oxon), Dip Marketing (CIM), MCIM

Duncan resigned from the Board on 8 April 2010 to take a position with Smith & Nephew in the US.

Simon Hearne

General Manager Health Care, 3M Australia
BSci (Hons) Biochemistry/Microbiology, Leeds University, UK

Simon resigned from the Board on 20 November 2009 to take a role with 3M in the US.

Gus Taddeo

Managing Director, Cook Australia
Dip of Diagnostic Radiography, MBA, FAICD

Gus resigned as Chair and Director on 2 October 2009.

Meeting Attendance

1 July 2009 to 30 June 2010

		11-Aug-09	24-Sep-09	8-Dec-09	11-Feb-10	13-Apr-10	17-Jun-10	Eligible to attend
1	Mr David Akeroyd					Apologies	Yes	1 of 2
2	Mr Kevin Barrow				Yes	Yes	Yes	3 of 3
3	Ms Carmen Byrne					Yes	Yes	2 of 2
4	Mr Mike Daly	Yes	Yes	Apologies	Apologies	Yes	Apologies	3 of 6
5	Dr Bronwyn Evans	Yes	Yes	Yes	Yes	Yes	Yes	6 of 6
6	Mr Duncan Fatkin	Yes	Yes	Yes	Yes			4 of 4
7	Mr Simon Hearne	Yes	Yes					2 of 2
8	Mr Namal Nawana	Apologies	Yes	Yes	Apologies	Yes	Yes	4 of 6
9	Mr Phil Nicholl		Yes	Yes	Apologies	Yes	Yes	4 of 5
10	Ms Julianne Prowse					Yes	Apologies	1 of 2
11	Mr Brent Scott							0 of 0
12	Dr Murthy Simhambhatla		Apologies	Apologies	Yes	Yes	Yes	3 of 5
13	Mr Jamie Stanistreet	Yes	Apologies	Yes	Yes	Yes	Yes	5 of 6
14	Mr Gus Taddeo	Yes	Yes					2 of 2
15	Mr Mick Trevaskis	Yes	Yes	Yes	Yes	Yes	Yes	6 of 6

Notes:

1. Appointed from 13 April 2010 until AGM 16 September 2010.
2. Appointed 11 February 2010 until AGM 16 September 2010.
3. Appointed effective 13 April 2010 until AGM 16 September 2010.
4. Elected from 24 September 2009 until AGM 2011.
5. Elected from 25 September 2008 until AGM 16 September 2010.
6. Elected from 25 September 2008 until AGM 16 September 2010. Resigned 9 April 2010.
7. Elected from 24 September 2009 until AGM 2011. Resigned 20 November 2009.
8. Elected from 25 September 2008 until AGM 16 September 2010.
9. Elected from 24 September 2009 until AGM 2011.
10. Appointed effective 13 April 2010 until AGM 16 September 2010.
11. Resigned 22 June 2009 (term of office was expiring on 24 September 2009). Attended meeting on 11 August 2009 at the invitation of the Chair).
12. Elected from 24 September 2009 until AGM 2011.
13. Elected from 24 September 2009 until AGM 2011.
14. Elected from 25 September 2008 until AGM 16 September 2010. Resigned 2 October 2009.
15. Elected from 24 September 2009 until AGM 2011.

Committee Reports

a) Access

The Access Committee was particularly active during the reporting year meeting 13 times, including two bi-lateral meetings in Canberra with senior officials of DoHA. The Access Committee's focus was the federal government's Health Technology Assessment (HTA) Review commenced in December 2008 and for which MTAA, guided by the Committee, provided a comprehensive submission in May 2009.

The Committee met frequently to review and assess other key stakeholders' submissions to the Review and consider relevant responses to the HTA Task Force. Committee members individually participated in Stakeholder Focus Group meetings and collectively met on two occasions in Canberra with senior members of DoHA to explain industry's approach to HTA reforms. The Minister for Health and Ageing released the HTA Review report in February 2010. Its recommendations reflected many of the views advocated by MTAA through its submission and the Committee's meetings with officials.

The Committee comprehensively examined the report's conclusions and recommendations and prepared for the subsequent consultation to further inform recommendations. The Committee has continued its efforts to bring to appropriate notice the essential requirements of industry in HTA and has welcomed the consultative manner adopted by government in this process.

b) Code of Practice

The Code of Practice is administered by the Code of Practice Committee (CPC) which is responsible to the Board of MTAA. It is headed by an independent Chair, and is made up of industry members and MTANZ and consumer representatives.

CPC has overseen the promotion of the Code to members, the wider industry and relevant stakeholders. The promotion of the 5th edition of the Code has been a priority. CPC has also considered a number of matters referred from the Code Monitoring Committee (CMC) and members for clarification and possible change.

Considering developments on codes of conduct internationally and also feedback from members and other stakeholders, CPC has recommended a number of changes to the Code which would form a 6th edition of the Code.

The CMC supports compliance with the Code by proactively monitoring the promotions and activities of members on a regular basis. The CMC has an independent and legally qualified Chair, and is made up of two representatives of healthcare professional associations, two representatives of healthcare institutions and a consumer representative. A panel of industry representatives provides the two industry members required on the CMC.

During 2009/2010, the CMC has reviewed the activities of 70 companies. In 2010, the CMC ceased to review activities by industry sector and now conducts reviews of companies on a random basis. The CMC continues to take an educative approach and has overall found the level of understanding of and compliance with the Code reasonable.

Both the Code Complaints Committee (CCC) and the Code Appeals Committee (CAC) have been required to meet during the year. These committees are independent, chaired by legally qualified individuals and formed from a panel made up representatives of professional associations, institutions, consumers and industry. Committees are formed by the Complaints Secretary from the panel as required with regard to actual or perceived conflicts of interest.

Code Complaints Committee

Alcon Laboratories (Australia) Pty Ltd ('Alcon') lodged a complaint against Allergan Australia Pty Ltd ('Allergan') on 9 September 2009. The matter was lodged and heard under the 4th edition of the MTAA Code of Practice ('Code') on 13 October 2009.

Allergan was found to have breached section 6.8 (a) (ii) with respect to the prizes on offer in a competition available on one of its websites. Allergan was also found to have used the term 'new' in breach of section 5.1 (h).

The breaches were found to be minor and no fines were imposed. Allergan was required to pay costs and place a clarifying notice on the competition website for a specified time period.

Code Appeals Committee

The CAC met on 26 February 2010 to consider an appeal by Johnson & Johnson Vision Care (a division of Johnson & Johnson Pacific Pty Ltd) (JJVC) against the decision of the CCC arising from a complaint made by Ciba Vision (Australia) Pty Ltd (Ciba) heard on 1 December 2009. The complaint and appeal were heard under the 4th edition of the Code.

It had been found that JJVC had breached section 6.7a of the Code. The *From new customer to loyal patient* program failed to meet the definition of *Training and Education*. As a result the benefit of attending constituted a gift of more than minimal value to those *Healthcare Practitioners (HCP) and/or Other Professionals* who attended the program. This was classified as a minor breach.

The CAC determined that CCC was correct in concluding that the *From New Customer to Loyal Patient* workshops were a gift from JJVC to HCP exceeding $100 and dismissed the appeal.

In accordance with the Code, no fine was imposed, although JJVC was required to pay costs.

c) Reimbursement

The Reimbursement Subcommittee is a subcommittee of the Access Committee. It met on six occasions during the reporting period. The primary focus of the Committee remains the Prostheses List process and guiding MTAA responses to arising issues. Members of the Committee met with DoHA staff during the period to provide feedback and suggestions regarding Prostheses List processes and procedures. There was agreement that such meetings should be conducted on a more regular basis. Committee members also met with Prostheses Secretariat staff to provide industry input to reviews of the Prostheses Guide and application forms.

The Committee has also provided input for MTAA's response to the first discussion paper on the Department's new *Medical Benefits Schedule Quality Framework, a New evidence based framework for managing the MBS into the future.*

At the conclusion of the reporting year the Committee reviewed its program of work and has prioritised its activities for 2010/2011.

d) Regulatory

The Regulatory Subcommittee (RegSC) is a subcommittee of the Access Committee. The RegSC has members from a number of member companies and was chaired by Dr Robert Kitchen from Alcon Laboratories (Australia) during 2009 and the early part of 2010. Following nominations in the April meeting George Faithfull from Styker was appointed Chair.

The RegSC considered a number of issues of strategic importance to the medical technology sector including legislative and administrative reforms related to the regulation of medical technology in Australia, the TGA's proposal to reclassify implanted hip, knee and shoulder joints, and involvement in MTAA's response to the Health Technology Assessment Review. The RegSC also established a working group to develop a position paper on reprocessing medical devices that had been designated by manufacturers as for single use.

The RegSC was able to provide comments on the work of one of the Global Harmonisation Taskforce ad hoc working groups investigating change management issues to one of the members of the ad hoc group, Johan Brinch from Cochlear, who is also a member of the RegSC.

Regulatory Affairs

The Regulatory Affairs Committee (RAC) has approximately 20 members from member companies. During 2009 and the early part of 2010 the RAC was chaired by Dr Ken Nicol from St Jude Medical, followed in early 2010 by Rebecca Smith from Johnson & Johnson Medical.

The main role of the RAC is to consider operational issues relating to interactions of member companies with the TGA. The RAC discusses issues and develops papers to be discussed at regular meetings of the TGA/ Industry Regulatory & Technical Consultative Forum. The Committee also provides input to two of the Global Harmonisation Task Force's study groups.

The RAC provided advice and comments to assist the TGA in developing the Australian Guidelines for Medical Devices (ARGMD) compendium. Work continues on improving a number of sections within the compendium for the next edition.

The RAC established a number of working groups.

- Development of improved definitions of unique product identifiers and associated variants for Class III and Class AIMD products
- Improvement of understanding of what particular notifications are required under the legislation, in conjunction with the TGA
- Organisation of a training and information event for the industry and liaision with the TGA
- Development of MTAA's recently launched clinical investigation agreement templates.

The RAC provided comments on proposals for a number of therapeutic goods orders for blood and blood products, human tissues and human cellular therapies and a related Code of Good Manufacturing Practice. The Committee also provided comments on a number of discussion papers released by the Clinical Trials Action Group.

e) Orthopaedic

The Orthopaedic Committee met quarterly during the reporting period. The focus of the Committee remained on issues affecting industry's relationship with orthopaedic healthcare providers and informing MTAA responses as necessary. The Committee also provides an industry member to the National Joint Replacement Registry Consultative Committee.

f) Essential Care

The Essential Care Committee is developing the industry's preferred structure and processes for administration of an Essential Care List of products, federally subsidised, which are necessary to sustain an acceptable quality of life of members of the community afflicted by specific medical conditions. Company representatives provided feedback on MTAA's submission to the Federal Budget 2010/2011.

g) Contact Lens

The Contact Lens Industry Committee (CLIC) met regularly through the reporting period to consider issues of concern to the contact lens and ophthalmic industry sector. As a group it facilitated educational seminars aimed at further familiarising optometrists with the use of contact lens. CLIC also sponsored professional development activities of the Contact and Corneal Lens Society of Australia. On behalf of CLIC, MTAA made a submission to the Optometry Board of Australia *Consultation Paper on Codes and Guidelines.*

h) Cardiac

The Cardiac Committee focuses on issues affecting the cardiac sector, including the relationship with cardiac clinical bodies.

The Committee engaged with the Australian Cardiac Procedures Registry (ACPR) to understand the processes and purposes of the ACPR and provide industry input into modeling for the registry.

Advice was provided to Australian College of Operating Room Nurses (ACORN) regarding its standard S24 which relates to the guidelines for medical company representatives. It stated as a general principle that "Medical company representatives (MCR) shall not participate in direct patient care." The standard now recognises exceptions including when company technicians are needed to adjust pacemakers.

i) Safety & Quality

The Safety & Quality Committee was established to co-ordinate industry input into the development of national safety and quality standards. With an increased focus on the consistency of national standards, its work will continue to develop.

Member Forums

a) Commerce

The Commerce / e-Commerce group provided a forum for members to raise concerns and address issues relating to procurement, including contracts and e-commerce.

These include:

- **NEHTA–National Product Catalogue (NPC)**
  Members were provided with updates on the different states' utilisation of NPC data and tender requirements.
- **NSW Health AHS Late payments**
  Members were provided with updates of consolidated data on NSW Area Health Service late payments, an escalating complaint procedure and list of contacts.
- **NSW Health Warehouse Consolidation**
  Members were provided with updates on the scheduled warehouse closures to consolidate to five distribution centres. MTAA raised with NSW Health the issue of loss of end user product data.

MTAA undertook several additional activities to support members during 2009/2010:

- **Business Partnering**
  MTAA provides a service to assist smaller Australian companies to partner with multi-national members for product development and distribution. In addition to individual enquiries, MTAA also worked with Austrade to promote the service to the companies listed on their online health portal.
- **Surveys**
  MBOS provided quarterly updates in member news sales on the trended sales of 20 of the largest member companies as an indicator of the industry sector performance. In conjunction with Price Waterhouse Coopers MTAA provided 10 product sales surveys.
- **Standards Australia**
  MTAA participated in developing a model for assessment of applications for full funding by Standards Australia for standards development and revision. MTAA also assisted in the funding application for the revision of AS /NZS 4187 Sterilization of Medical Devices, which will be an important test case of the new process for funding public health standards.

b) Communication

The Communicators' Forum provides a platform to share and discuss issues and opportunities facing the industry and communications practitioners in the medical technology industry. It was set up to undertake initiatives to improve understanding of medical technology in the public and media. During the past year the Forum provided a sounding board for the development of the media skills training module.

c) Small & Emerging Companies

The Small & Emerging Companies' Forum supports smaller Australian member companies, primarily manufacturers. It provides a forum for an exchange of issues of particular concern to this section of the membership, which now makes up about 18% of members.

d) Government Affairs

The Government Affairs Forum brings together the government affairs managers within member companies. During 2009/2010 it has assisted in the development of federal and state election policy papers.

Committee Membership

MTAA wishes to thank all committee members and forum participants who have helped shape the industry through their hard work, dedication and support throughout the year.

Access Committee

Johan Brinch
Vice President Regulatory Affairs, Cochlear (to December 2009)

Stuart Bruce
Regulatory & Corporate Affairs Manager, Boston Scientific Corporation

Robyn Chu
Health Outcomes Director, Johnson & Johnson Medical

Anne-Maree Englund
Global Program Manager for Quality and Regulatory, Cochlear (from January 2010)

George Faithfull
Clinical Research & Regulatory Affairs, Stryker

Sarah Griffin
Reimbursement & Government Affairs Manager, St. Jude Medical Australia

Robert Kitchen (Chair)
Director, Scientific Affairs, Alcon Laboratories (Australia)

Mick Shaddock
Senior Business Manager, Device Technologies Australia

Andrew Wiltshire
Director, Corporate Affairs, Medtronic Australasia

Code of Practice Committee

Victor Boase
Manager, Corporate Financial Services & Company Secretary, Kimberly-Clark Australia

John Cooper
VP Australia, New Zealand & India, Zimmer

Michael Goldberg
Financial Controller, St. Jude Medical Australia

Patricia Greenway
Consumers' Health Forum

Ross Gunn
MTANZ

Stephen Jones
alternate to Ross Gunn, MTANZ

Robert Kitchen
Director, Scientific Affairs, Alcon Laboratories (Australia)

Michelle Wagner
Compliance Director, Johnson & Johnson Medical

George Walck (Chair)
Director, George Walck & Associates

Value of Technology

Medical technology can deliver significant benefits and savings to the health system over time. Innovative new health technologies need to be supported to ensure these savings continue to be available. However, the benefits of medical technology in Australia are often poorly understood, insufficiently articulated and developed, and generally suffer from a perception of being a burden on the healthcare system.

The Value of Technology project was developed to improve the understanding of the impact of advances in medical technology on healthcare expenditure in Australia, and the associated costs and benefits for the Australian community. The outcome of this research will support MTAA's advocacy for funding in, and support for, a range of technologies that might not have strong Australian evidence to date.

The objectives of the Value of Technology project include:

- Collating recent data from medical technology companies, clinical reviews and publications (including government and HTA reports), and overseas and local research projects.
- Research on the different disease areas and the impact of medical technology on these diseases including the clinical and economic benefits for the patient, and for the Australian healthcare system.
- Development of a series of fact sheets to be used as part of submissions to government departments and agencies and as part of the MTAA website. (Some of the information developed will be included in general communication, marketing brochures and training modules).
- Inclusion of case studies to illustrate the benefits the technologies bring to the individual patient and their families.

Main Areas of Focus:

- Obesity and obesity-associated complications such as Type 2 diabetes
- Diabetes care: Type 1 and Type 2 diabetes mellitus
- Modern wound care management
- Hearing impairment
- Cardiovascular diseases
- Medical imaging
- Joint replacement surgery
- Vision care including intraocular lenses
- Sharps safety products
- Remote monitoring such as for cardiac health
- Deep brain stimulation
- Medication delivery systems such as drug eluting systems

Professional Development

The MTAA professional development program provides broad opportunities for medical technology personnel to continually progress and refine the skills, knowledge and understanding essential for achieving positive outcomes in an ever complex and changing healthcare environment. Research suggests there is a direct link between a company reaching its strategic goals and the capacity of its workforce. Life-long learning is key to enabling individuals to continually grow and reach their full potential.

During 2009/2010, the professional development (PD) program continued to be strategically expanded across the three areas of education, training and information sharing. A range of diverse programs were initiated to further embed the strategy. *Planning for Professional Development: A guidance document for MTAA members* was launched. This document draws on the knowledge of effective training and development practices gained from research and best practice, with emphasis placed on the importance of workplace learning for teams and individuals. Other support materials included the annual *MTAA Training Calendar* and *Professional Development for the Medical Technology Industry* poster and brochure, providing overviews of the PD program.

a) Training

The MTAA training program is based on an annual training needs analysis offered across the industry; and feedback gained from participants of training modules.

Six courses were offered using a blended learning approach. Each course contains a series of modules. Face-to-face training is delivered as scheduled, or in-house training at the request of a company. Many modules are also offered online. Four modules are accredited to Certificate IV or higher vocational education and training (VET) competencies.

- **1.0 Medical Technology Regulation and Clinical Activities** offered ten modules plus an additional twelve modules in the DIScover e-learning series offered through a training partnership with SeerPharma.

- **2.0 MTAA/MTANZ Code of Practice** offered four modules delivered face-to-face. In addition, the introductory module is also available online .
- **3.0 Working with Healthcare Professionals** offered nine modules. Three modules are offered online, two of these for free.
- **4.0 Reimbursement of Medical Technology** offered three modules with one module delivered online.
- **5.0 Workforce Developmen**t offered seventeen modules; sixteen online and one delivered face-to-face. The online modules included an e-learning series consisting of seven webinars. The first two self-paced modules are available for free.
- **6.0 Commercial Practice** offered two face-to-face modules.

Web-based e-learning where training is delivered online and on demand is becoming increasingly important to the medical technology industry as a cost-effective way to participate in training. Of the 45 training modules available through MTAA during 2009/2010, nearly half were available online. Nine of these were offered as self-paced learning, enabling participants to complete the training anywhere, anytime. Another twelve modules were offered as live webinars.

b) Education

Education is an important component of ongoing professional development. Within the medical technology industry, many roles require tertiary qualifications as a pre-requisite. MTAA continued to offer a number of resources to support the education of future, newly qualified and current medical technology industry personnel.

The MTAA Workplace Learning Directory assists students in becoming exposed to the work of the medical technology industry. Students of secondary schools, TAFE colleges and universities from across Australia could access a list of MTAA member companies that volunteered to offer workplace learning programs. In addition, the MTAA Undergraduate and Post-graduate Course Directories listed over 2300 courses relevant to the medical technology industry, provided through a searchable online database.

c) Information Sharing

To further support the MTAA professional development program, MTAA offered a number of information sharing events. Senior executives of member companies attended a range of CEO Forums with invited speakers to discuss key issues of relevance to the medical technology industry. Speakers have included Shane Gath, CEO at the Private Health Insurance Council, and Jillian Skinner, Opposition spokesperson for health (NSW).

MedTech Seminars continued to be an important opportunity for industry to discuss key operational issues, while MTAA Webytes offered free sessions to MTAA members that can be viewed anytime via the secure member website should interested staff be unable to attend the scheduled event.

Industry Profile

a) Annual Conference

The Annual Conference Medical Technology 2009 - Enabling access to market for new technologies was a huge success with record numbers of delegates and exhibitors attending, despite a dust storm causing disruptions.

It brought together senior industry representatives and key healthcare leaders for a lively debate about key issues and opportunities for the medical technology industry. The program focused on the way new medical technologies are brought to market to ensure better patient access and health outcomes. The two day program included international and Australian speakers who explored topics including health technology assessment and the effect of the global financial crisis on the industry.

On the second day, the workshop program included opportunities to learn more about regulation, business development and reimbursement issues relating to the medical technology industry.

b) Kerrin Rennie Award

This Award for excellence in medical technology recognises the innovative and extraordinary contribution of medical technology in improving health outcomes of Australians. It is open to all medical technology companies based or represented in Australia.

The award was endowed by the family of the late Kerrin Rennie who was a long standing member of the Australian medical technology community.

The 2009 finalists and the winner were announced at the Annual Conference dinner on 23 September.

The winner of the 2009 Kerrin Rennie Award was the Cochlear Hybrid System from Cochlear Ltd.

The technology of the Hybrid System is based on the cochlear implant and restores hearing to patients with high frequency hearing loss, who are not suitable for cochlear implants or hearing aids. The technology uses a combination of electric and acoustic signals to the brain to restore full hearing capacity.

The 2009 finalists were:

Melody Transcatheter Valve Therapy - Medtronic

The technology replaces a faulty heart valve without the need for open heart surgery. The valve is fitted to the heart through the use of a catheter. The technology is used in patients with congenital, defective, pulmonic valves requiring treatment early in life.

SIMsystem - Simavita

The technology is a remote monitoring device for urinary incontinence mainly for residents in aged care homes. It uses a combination of signals to alert a nurse or carer to incontinence. Early detection can prevent urinary tract infections and other related conditions for the patient.

c) Hospital Innovation event

In February 2009 MTAA held an event to explore the barriers and enablers to promote hospital generated innovation of medical technology. A speaker from NHS Innovations in London joined a panel of Australian experts to discuss options. This event was the first in a potential series to promote thought leadership and engagement with a broader audience.

Research Activities

The core research activities in 2009/2010 were associated with MTAA policy submissions and analysis of trends in Australian healthcare. Examples include:

- **Provision of an Essential Care List:** cost savings can be achieved by providing patients with access to items that are currently funded in an ad hoc way by multiple Federal Government and State/Territory schemes. Research has focussed on oxygen supplies/ consumables, compression bandages for lymphoedema, continence and ostomy products, modern wound care devices, breast prosthetics, insulin pumps, CPAP/ sleep apnoea devices, laryngitic products, diabetes consumables, hearing devices and home dialysis devices.
- **Safety and Quality in Health Care:** work place injuries can be reduced by introducing sharps safety measures and safety-engineered medical devices (SEMDs) to prevent needlestick injuries. The use of SEMDs is to become mandatory in Europe and is already mandatory in many states in the US.
- **Infection Control:** the key focus has been on devices that prevent and control infection in healthcare settings, SEMDs, scalpel safety, re-processing and re-use of single-use devices, cross-contamination from flexible endoscopes, device repair and maintenance, training for visitors to the perioperative environment, the use of smart infusion pumps, safer spinal (intrathecal), epidural and regional devices and mandatory reporting of all healthcare associated infections.
- **Industry Statistics:** the focus has been on identifying the most up-to-date statistics that describe the size of the medical technology industry in Australia and overseas.
- **Diagnostic Imaging:** research has focused on the contribution of imaging to health outcomes, equity of access, reimbursement for remote radiology and imaging and the need for funding policies that are flexible enough to keep pace with the rapid technological innovations seen in this area.
- **Clinical Evidence for Medical Devices:** device manufacturers must have high levels of clinical evidence including clinical data and a clinical evaluation report (comprehensive analysis of the clinical data) before their products enter the Australian market. The research focus has been on good clinical practice, clinical investigation plans and the detailed clinical evidence required by manufacturers both pre-market and post-market.
- **Blood Management:** there are a limited number of blood donors in Australia. Medical devices and procedures can be used to conserve blood. The aim of blood management is the appropriate use of blood via the adoption of a number of multidisciplinary strategies. Medical devices can aid blood conservation: preoperatively (e.g. microanalyzers); intraoperatively (e.g. cell processors and salvage devices, ultrafiltration devices, haemostatic surgical devices, lasers, microwave scalpels, argon-beam coagulators) and; postoperatively (e.g. blood cell salvage machines).
- **Telemonitoring:** Australia has an ageing population and there is an increased demand for technologies that enable patients with chronic conditions to remain in their own homes. The key research focus has been determining how medical devices that enable remote patient monitoring should be reimbursed.

Submissions

MTAA seeks to influence policy development in the healthcare environment at many levels including regulatory, reimbursement, industry development and market access. Submissions are an important activity to communicate key issues on behalf of the industry.

Submissions during 2009/2010

- Submission to the Department of Foreign Affairs and Trade for the development of the Trans Tasman Partnership - 1 June 2010.
- Submission to DoHA on the review of funding of diagnostic imaging services - 30 April 2010.
- Consultation Paper on Australian Guidelines for the Prevention and Control of Infection in Healthcare to NHMRC - March 2010.
- Comment on Clinical Trials Action Group Discussion paper - February 2010.
- Submission to the TGA on the Australian code of Good Manufacturing Practice for human blood and blood components, human tissue and human cellular therapies - February 2010.
- Federal Budget 2010-11 submission to the Department of the Treasury - January 2010.
- Submission to ACSQH on the draft National Quality and Safety Healthcare Standards - January 2010.
- Response to the TGA Proposal to Reclassify Implanted Hip, Knee and Shoulder Joints - December 2009.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED

ABN: 61 129 334 354

Financial Report For The Year Ended 30 June 2010

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2010.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Bronwyn Evans appointed (25/09/2008)
Jamie Stanistreet appointed (24/09/2009)
Michael Trevaskis appointed (24/09/2009)
Michael Daly appointed (24/09/2009)
Phillip Nicholl appointed (24/09/2009)
Murthy Simhambhatla appointed (24/09/2009)
Namal Nawana appointed (25/09/2008)
Kevin Barrow appointed (11/02/2010)
David Akeroyd appointed (13/04/2010)
Carmen Byrne appointed (13/04/2010)
Julianne Prowse appointed (13/04/2010)
Gus Taddeo resigned (2/10/2009)
Simon Hearne resigned (20/11/2009)
Duncan Fatkin resigned (8/04/2010)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

Brett David Andrews - GradDipEmpRels, MBA (UTS), ACIS. Mr Andrews was appointed company secretary on 30 January 2008.

Principal Activities

The principal activity of the entity during the financial year was the support of members engaged in the medical technology industry.

No significant changes in the nature of the entity's activity occurred during the financial year.

Objectives

The entity's short to medium objectives are:

To predict and anticipate key health policy directions
Develop strong economic advocacy models for medical technology
Increase membership by identifying and attracting new or under-represented groups while re-engaging with existing members
Maintain and grow stakeholder partners to ensure MTAA is first 'go to' point for key influencers
Distribute positive messages about the value of medical technology and drive alignment of messaging
Maintain standards of highest integrity through driving the Code of Practice

The entity's long term objectives are:

To be recognized as the national body that represents the medical technology industry
To deliver indispensible value to members
To be an influential partner in the healthcare debate

To achieve these objectives, the entity has adopted the following strategies:

Engage in dialogue with all stakeholders of the medical technology and wider health sector both nationally and internationally
Develop and grow the organisation's capacity in health economics through staffing options and partnering programs
Maintain and grow membership by servicing existing, and encouraging new, members
Develop, maintain and grow partner and stakeholder matrixes
Communicate with community and stakeholders about the value and life enhancing qualities of medical technology
Continue to advocate for, and resource, implementation of the Code of Practice within the membership and wider industry

Operating Results

The profit of the entity amounted to $142,358 (2009: $217,447).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on Directors

Bronwyn Evans	—	Chair of MTAA Ltd and Chair, Board Nominations Sub-committee
Qualifications	—	Senior Vice President, Quality and Regulatory, Cochlear BE (Elec), Hons 1, PhD (UoW), FIEAust, MAICD
Experience	—	Bronwyn has worked with Cochlear for 5 years with responsibility for the design and implementation of the global QMS Regulatory Compliance programs across jurisdictions including Australia, America, Europe, China and Japan. Bronwyn also has a senior involvement in the operational areas of design control and manufacturing with Cochlear. Prior to joining Cochlear, Bronwyn gained over 20 years experience in a range of industries including power generation and distribution, standards development and engineering education. Bronwyn was appointed Chair of MTAA on 8 December 2009.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
DIRECTORS' REPORT

Jamie Stanistreet	—	Deputy Chair and Member, Board Nominations Sub-committee
Qualifications	—	Bachelor of Accounting and Marketing (UNSW)
Experience	—	Managing Director, Australia/New Zealand, Medtronic. Jamie joined Medtronic in 1999 following their acquisition of AVE Inc and was appointed to the MD role in 2001. Prior to joining Medtronic he worked in senior sales and marketing roles with Bard Australia. Jamie has also worked with 3M and Biospectrum.
Michael Trevaskis	—	Treasurer and Director
Qualifications	—	BHlthSci, Dip Hth Sci (Nursing), Latrobe
Experience	—	Director Sales and Marketing, Device Technologies. Mick commenced his medical career as a registered nurse in Melbourne in 1993 before running a family owned business for two years. In 1998 he joined Device Technologies as an orthopaedic product specialist. From 2003 he has been responsible for all sales and marketing activities for Device Technologies.
Michael Daly	—	Director
Qualifications	—	B. Sci/BA Coraopolis (PA, USA) IEP (INSEAD)
Experience	—	Managing Director, Bard Australia and New Zealand. Prior to his appointment at Bard in 2007, Mike spent 16 years with the Boston Scientific Corporation in a variety of senior sales, marketing and management roles. His career with Boston has encompassed assignments in North America, the Middle East, South East Asia and China.
Phillip Nicholl	—	Director
Qualifications	—	Managing Director, Australia and New Zealand, Stryker South Pacific Bachelor of Business (Marketing), CSU
Experience	—	Phil has been in the medical device sector for over eighteen years, during which he has held various senior management positions in Australia, Asia and Europe. Prior to returning to Australia, Phil held the positions of Vice President of Marketing, Stryker Pacific, Managing Director, Stryker Southern Asia and President Asia Pacific, Cochlear Ltd.
Murthy Simhambhatla	—	Director
Qualifications	—	PhD, Polymer Science (University of Akron, USA)
Experience	—	Murthy has over 12 years of experience in the medical device industry in various roles including research and development, manufacturing, new ventures and commercial operations. He started in the industry with the Guidant Corporation and subsequently joined Abbott Laboratories as Vice President for drug eluting stents through their acquisition of Guidant's vascular business. Prior to this, Murthy worked in the electronics and aerospace industries.
Namal Nawana	—	Director
Qualifications	—	Managing Director, Johnson & Johnson Medical B. Eng (Hons), M. Med Sc (UoA), MBA (Henley Management College)
Experience	—	Namal's professional training and experience has been entirely devoted to the medical technology industry. He has worked as a research engineer in Australia, as a product development engineer in Europe, and has collaborated to introduce new technologies to market at a global level. Namal has had a number of senior national, regional and global roles for DePuy and Johnson & Johnson.
Kevin Barrow	—	Director
Qualifications	—	Managing Director, Australia and New Zealand, Becton Dickinson BSci, MSci (Hons 1) (Waikato University), MBA (MGSM)
Experience	—	In 2004 Kevin joined Becton Dickinson (BD) as the Business Director for BD Medical. In 2006, he assumed the role of Managing Director for BD Australia and New Zealand. Prior to joining BD, Kevin worked with Eli Lilly, a United States based multi-national pharmaceutical company. There he held numerous roles in sales and marketing management in both Australia and New Zealand. His final role at Eli Lilly Australia was as Sales Director. Born in New Zealand, Kevin has always had an interest in science and healthcare.
David Akeroyd	—	Director
Qualifications	—	Managing Director, Australia and New Zealand, Baxter Healthcare BSci (Victoria University of Wellington)
Experience	—	David's career has been spent entirely in the medical industry. Leaving New Zealand in 2002 as Country Manager (Diagnostics) for Abbott Laboratories, he took up a dual regional role in Japan as Commercial Director, Asia Pacific and Marketing Head for Abbott's Japanese affiliate. In 2005 David was offered a role as Vice President with Baxter Healthcare based in Singapore and set up business development teams in Asia Pacific. Regional roles included General Manager for the North Asia group of countries and India. David took up his current role in 2008.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
DIRECTORS' REPORT

Carmen Byrne	—	Director
Qualifications	—	General Manager Healthcare, Australia and New Zealand, 3M Australia BSci (CCAE), MBA (MGSM)
Experience	—	Carmen has worked in the health care industry for over 20 years in the areas of clinical research, quality management and sales and marketing. With an interest in wider health policy issues, Carmen is currently undertaking post graduate studies in health policy with the University of Sydney.
Julianne Prowse	—	Director
Qualifications	—	General Manager, Coloplast MBA (Swinburne)
Experience	—	Julianne has been with Coloplast in Australia and the US for 20 years. Before Julianne's appointment to her current role, she worked with Coloplast in the US for four years as General Manager, Breast Care and Vice President, Ostomy Care. Prior to joining Coloplast, Julianne worked in a number of industries including travel, recruitment and pharmaceutical sales.
Gus Taddeo	—	Director
Qualifications	—	Managing Director, Cook Australia Dip of Diagnostic Radiography, MBA, FAICD
Experience	—	Managing Director, Cook Australia. Gus has worked with Cook Australia since 1987 in senior sales, marketing, manufacturing and operations roles. He has held the position of Managing Director since 1999. Gus resigned as Chair and Director on 2 October 2009.
Simon Hearne	—	Director
Qualifications	—	General Manager Health Care, 3M Australia BSci (Hons) Biochemistry/Microbiology, Leeds University, UK
Experience	—	General Manager Health Care, 3M Australia. Before his appointment as GM 3M Healthcare in 2006, Simon had senior corporate roles with 3M Australia and senior marketing and development roles with 3M Pharmaceuticals across the ANZ region, South East Asia and South Africa. Before he joined 3M, Simon held senior positions with pharmaceutical and device companies in Australia and Europe. Simon resigned from the board on 20 November 2009 to take a role with 3M in the US.
Duncan Fatkin	—	Director
Qualifications	—	General Manager, Orthopaedics for Smith & Nephew Surgical BA (Oxon), Dip Marketing (CIM), MCIM
Experience	—	Duncan has been in the medical device industry for over 20 years holding a number of senior marketing, operational and management roles internationally with Baxter Healthcare, Johnson & Johnson and Smith & Nephew. He has had exposure to a wide variety of industry bodies and associations in the US, Europe and Asia Pacific. Duncan resigned from the Board on 8 April 2010 to take a position with Smith & Nephew in the US.

Meetings of Directors

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendees by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Bronwyn Evans	6	6
Jamie Stanistreet	6	5
Michael Trevaskis	6	6
Michael Daly	6	3
Phillip Nicholl	5	4
Murthy Simhambhatla	5	3
Namal Nawana	6	4
Kevin Barrow	3	3
David Akeroyd	2	1
Carmen Byrne	2	2
Julianne Prowse	2	1
Gus Taddeo	2	2
Simon Hearne	2	2
Duncan Fatkin	4	4

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
DIRECTORS' REPORT

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 5 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Director _____
Bronwyn Evans

Dated this 10th day of August 2010

Director _____
Michael Trevaskis

Dated this 10th day of August 2010

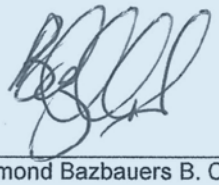
MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm Forrest Roberts Bazbauers & Kindred



Name of Partner Raimond Bazbauers B. Com FCA

Date 10/08/2010

Address Level 1, 692 Pacific Highway

Chatswood NSW 2067

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Revenue	2	65,813	74,407
Other income	2	2,387,451	2,558,395
Employee benefits expense	3	(1,266,478)	(1,297,872)
Depreciation and amortisation expense	3	(33,566)	(31,712)
Finance costs	3	-	-
Rental expense	3	(122,275)	(122,970)
Commissions paid		-	-
Impairment of property, plant and equipment		-	-
Accounting		(52,658)	(58,883)
Code of Practice		(65,139)	(42,319)
Function Expenses		(301,753)	(270,920)
Office Facilities		(124,102)	(145,763)
Printing & Stationery		(10,135)	(9,380)
Special Projects		(53,510)	(109,896)
Corporate Communications		(53,461)	(38,868)
Training Industry		(61,965)	(89,421)
Travel		(132,776)	(147,773)
Legal Costs		(5,930)	(9,821)
Other expenses		(27,159)	(39,756)
Share of net profits of associates and joint ventures		-	-
Profit before income tax	3	142,358	217,447
Income tax expense			
Profit after income tax		142,358	217,447

The accompanying notes form part of these financial statements.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Profit for the year		142,358	217,447
Other comprehensive income:			
Net gain on revaluation of non-current assets	7	-	-
Net (loss)/gain on revaluation of financial assets		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		142,358	217,447
Total comprehensive income attributable to members of the entity		142,358	217,447

The accompanying notes form part of these financial statements.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 $	2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,040,729	929,529
Trade and other receivables	5	57,945	41,088
Other assets	6	7,157	2,518
TOTAL CURRENT ASSETS		1,105,830	973,135
NON-CURRENT ASSETS			
Property, plant and equipment	7	191,561	225,127
Other non-current assets		-	-
TOTAL NON-CURRENT ASSETS		191,561	225,127
TOTAL ASSETS		1,297,391	1,198,262
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	255,184	303,059
Short term provisions	9	-	-
TOTAL CURRENT LIABILITIES		255,184	303,059
NON-CURRENT LIABILITIES			
Trade and other payables	8	-	-
Long term provisions	9	17,813	13,166
TOTAL NON-CURRENT LIABILITIES		17,813	13,166
TOTAL LIABILITIES		272,997	316,225
NET ASSETS		1,024,395	882,037
EQUITY			
Retained earnings		1,024,395	882,037
Reserves		-	-
TOTAL EQUITY		1,024,395	882,037

The accompanying notes form part of these financial statements.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Retained Earnings	Revaluation Surplus	Financial Assets Reserve	Total
	$	$	$	$
Balance at 1 July 2008	664,590			664,590
Profit attributable to the entity	217,447			217,447
Total other comprehensive income for the year				-
Balance at 30 June 2009	882,037	-	-	882,037
Profit attributable to the entity	142,358			142,358
Transfer on sale of asset				-
Total other comprehensive income for the year				-
Balance at 30 June 2010	1,024,395	-	-	1,024,395

For a description of each reserve, refer to Note 13.

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of Grants		-	-
Other receipts		2,362,372	2,557,169
Payments to suppliers and employees		(2,312,346)	(2,440,496)
Interest received		61,173	71,890
Dividends received		-	-
Finance costs		-	-
Net cash provided by/(used in) operating activities	11(b)	111,200	188,562
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	318
Payment for property, plant and equipment		-	(1,470)
Proceeds from sale of available-for-sale investments		-	-
Payment for available-for-sale investments		-	-
Payment for financial assets at fair value through profit and loss		-	-
Payment for intangible asset		-	-
Payment for held-to-maturity investments		-	-
Net cash provided by/(used in) investing activities		-	(1,152)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease commitments		-	-
Increase in finance lease commitments		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash held		111,200	187,410
Cash and cash equivalents at the beginning of the financial year		929,529	742,119
Cash and cash equivalents at the end of the financial year	4	1,040,729	929,529

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 1 Summary of Significant Accounting Policies

The financial report is for Medical Technology Association of Australia Limited as an individual entity, incorporated and domiciled in Australia. Medical Technology Association of Australia Limited is a company limited by guarantee.

The financial report is a special purpose financial report that has been prepared in accordance with the Corporations Act 2001.

The financial report is for Medical Technology Association of Australia Limited as an individual entity, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001* .

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting Policies

(a) Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial rate financial assets is the rate inherent in the instrument.

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

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

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment

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

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

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes 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 or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Initial Recognition and Measurement

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

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

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Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as
(i) the amount at which the financial asset or financial liability is measured at initial recognition
(ii) less principal repayments
(iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
(iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through 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 value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(v) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets
At the end of each reporting period, the entity 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 statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

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(f) Employee Benefits
Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

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

(h) 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 Taxation 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(i) Income Tax
No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(j) Provisions
Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(k) Comparative Figures
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(l) Trade and Other Payables
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability.

(m) Critical accounting estimates and judgments
The directors 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 company.

Key Estimates
Impairment
The company assesses impairment at each reporting date by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(n) Adoption of New and Revised Accounting Standards
During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Medical Technology Association of Australia Limited.

AASB 101 Presentation of Financial Statements
In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact
Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(o) New Accounting Standards for application in future periods
The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

• AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

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The changes made to accounting requirements include:
– simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value
– simplifying the requirements for embedded derivatives
– removing the tainting rules associated with held-to-maturity assets
– removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost
– allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
– requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

• AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard removes the requirement for government related entities to disclose details of all transaction with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the company.

• AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the company.

• AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence these two Interpretations are superseded by the amendments. These amendments are not expected to impact the company.

• AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of retrospective application of Australian Accounting Standards for oil and gas assets and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the

• AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010)

The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the Company.

• AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

• AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010)

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the company.

• AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

• AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the company.

The company does not anticipate early adoption of any of the above Australian Accounting Standards.

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Note 2 Revenue and Other Income

	Note	2010 $	2009 $
Other Revenue			
Interest received on financial assets		65,813	74,407
		65,813	74,407
Total Revenue		65,813	74,407
Other Income			
Gain on disposal of property, plant and equipment		-	45
Other		15,365	83,469
Subscriptions		1,974,854	2,032,024
Professional Development		125,014	203,323
Events Income		272,219	239,533
Total Other Income		2,387,451	2,558,395
Total Revenue and Other Income		2,453,264	2,632,802

Note 3 Profit for the Year

	2010 $	2009 $
(a) Expenses		
Depreciation and Amortisation		
— land and buildings	26,133	26,133
— furniture and equipment	7,433	5,579
Total Depreciation and Amortisation	33,566	31,712
Total Employee Benefits Expense	1,266,478	1,297,872
Loss on disposal of non-current assets	-	710
Rental expense on operating leases		
— Sydney Office	120,668	106,770
— Canberra Office	1,607	16,201
Total rental expense	122,275	122,970
Auditor Remuneration		
— audit services	20,500	22,052
— other services	-	-
Total Audit Remuneration	20,500	22,052
(b) Significant Revenue and Expenses		
Net Gain/ (Loss) on disposal of Non Current Assets		
Net loss on disposals as at 30 June 2010	-	-

Note 4 Cash and Cash Equivalents

	2010 $	2009 $
CURRENT		
Cash at bank	1,040,650	929,469
Cash on hand	78	60
	1,040,729	929,529

Note 5 Trade and Other Receivables

	Note	2010 $	2009 $
CURRENT			
Trade receivables		5,630	4,663
Provision for impairment	5(i)	-	-
		5,630	4,663
Other receivables		1,677	-
Deposits Paid		50,638	36,426
Total current trade and other receivables	12	57,945	41,088

(i) Provision for Impairment of Receivables
Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.
Movement in the provision for impairment of receivables is as follows:

	$
Provision for impairment as at 30 June 2008	
- Charge for year	
- Written off	
Provision for impairment as at 30 June 2009	-
- Charge for year	
- Written off	
Provision for impairment as at 30 June 2010	-

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Credit risk - Trade and Other Receivables
The company does not have any material credit risk exposure to any single receivable or group of receivables.

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

Note 6 Other Assets

	2010 $	2009 $
CURRENT		
Accrued Income	7,157	2,518
Prepayments	-	-
	7,157	2,518

Note 7 Property, Plant and Equipment

	2010 $	2009 $
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	23,003	23,003
Less accumulated depreciation	(14,352)	(6,919)
Less accumulated impairment losses	-	-
	8,651	16,084
Leased motor vehicles		
Capitalised leased vehicles	-	-
Accumulated depreciation	-	-
	-	-
Leasehold Improvements		
At cost	243,911	243,911
(Accumulated Amortisation)	(61,001)	(34,868)
	182,910	209,043
Total plant and equipment	191,561	225,127
Total property, plant and equipment	191,561	225,127

Movements in Carrying Amounts
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment $	Leasehold Improvements $	Total $
2009			
Balance at the beginning of the year	21,176	235,176	256,352
Additions at cost	1,470		1,470
Additions at fair value			-
Disposals	(983)		(983)
Depreciation expense	(5,579)	(26,133)	(31,712)
Carrying amount at end of year	16,084	209,043	225,127
2010			
Balance at the beginning of the year	16,084	209,043	225,127
Additions at cost	-	-	-
Additions at fair value			-
Disposals			-
Depreciation expense	(7,433)	(26,133)	(33,566)
Carrying amount at end of year	8,651	182,910	191,561

Note 8 Trade and Other Payables

		2010 $	2009 $
CURRENT			
Trade payables		44,000	50,956
Deferred income		124,694	147,130
Other current payables		33,864	22,623
Employee benefits		47,385	45,983
Special Interest Groups		5,241	36,367
	8(a)	255,184	303,059

Note 9 Provisions

	2010 $	2009 $
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 July 2009	-	-
Additional provisions raised during year	-	-
Amounts used	-	-
Balance at 30 June 2010	-	-

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NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 July 2009	13,166	12,017
Additional provisions raised during year	4,647	1,149
Amounts used	-	-
Balance at 30 June 2010	17,813	13,166

Analysis of Total Provisions	2010 $	2009 $
Current	-	-
Non-current	17,813	13,166
	17,813	13,166

Provision for Long-term Employee Benefits
A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 10 Capital and Leasing Commitments

(a) Operating Lease Commitments
Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2010 $	2009 $
Payable – minimum lease payments		
— not later than 12 months	97,405	93,659
— later than 12 months but not later than 5 years	206,656	304,061
— greater than 5 years	-	-
	304,061	397,720

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. Increase in lease commitment may occur in line with CPI.

Note 11 Cash Flow Information

	Note	2010 $	2009 $
(a) Reconciliation of cash			
Cash at bank		1,040,650	929,469
Other cash		78	60
	4	1,040,729	929,529
(b) Reconciliation of cash flow from operations with profit after income tax			
Profit after income tax		142,358	217,447
Non cash flows			
Depreciation and amortisation		33,566	31,712
Loss/Gain on realisation of assets			665
Furniture and equipment written off			
Unrealised surplus on investments			
Property, plant & equipment taken over on transfer			
Changes to provisions		6,048	13,393
Change in assets and liabilities			
(Increase)/decrease in trade and other receivables		(19,497)	28,624
Increase/(decrease) in trade and other payables		(51,275)	(103,279)
		111,200	188,562

Note 12 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 $	2009 $
Financial Assets			
Cash and cash equivalents	4	1,040,729	929,529
Loans and receivables	5	57,945	41,088
Total Financial Assets		1,098,674	970,617
Financial Liabilities			
Financial liabilities at amortised cost			

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Note 13 Capital Management

Management control the capital of the entity to ensure that adequate cash flows are generated to fund its activities in support of the medical technology industry and that returns from investments are maximised.

The Directors as a whole set the financial strategy framework and the Board executive provides regular oversight of management to ensure that the Board's objectives are met. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

Note 14 Entity Details

The registered office of the entity is:
Medical Technology Association of Australia Limited
Level 12
54 Miller Street
North Sydney NSW 2060

The principal place of business is:
Medical Technology Association of Australia Limited
Level 12
54 Miller Street
North Sydney NSW 2060

Note 15 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each person who is a Member and each person who was a member during the year ending on the day of commencement of the winding up of the company is required to contribute a maximum of $10 each towards meeting any outstandings and obligations of the entity. At 30 June 2010 the number of members was 90 full members, 16 associate and affiliate members.

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DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 3 to 18, are in accordance with the Corporations Act 2001:
   (a) comply with Australian Accounting Standards; and
   (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director Bronwyn Evans
Bronwyn Evans

Dated this 10th day of August 2010

Director
Michael Trevaskis

Dated this 10th day of August 2010

MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED
ABN: 61 129 334 354
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA LIMITED

We have audited the accompanying financial statements of Medical Technology Association of Australia Limited, which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Statements
The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Medical Technology Association of Australia Limited on [insert date], would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Medical Technology Association of Australia Limited as at 30 June 2010, and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including

Name of Firm: Forrest Roberts Bazbauers & Kindred

Name of Partner: Raimond Bazbauers B. Com FCA

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Chatswood NSW 2067

Dated this Tenth day of August 2010

MTAA Members at 30 June 2010

3M Australia
Abbott Medical Optics Australia & New Zealand
Abbott Vascular Devices Division
Alcon Laboratories (Australia)
Allergan Australia
Ambu Australia
AMS American Medical Systems
Analytica
Anatomics
Applied Physiology
ArthroCare (Australasia)
Astra Tech
AtCor Medical
Atrium Australia - Pacific Rim
Aurora BioScience
Australasian Medical & Scientific
B Braun Australia
Bard Australia
Bausch & Lomb (Australia)
Baxter Healthcare
Becton Dickinson
bioMD
Biomet Australia
Biotronik Australia
Boston Scientific
Carefusion Australia 200
Carefusion Australia 316
CathRx
CIBA Vision
Cochlear
Coloplast
ConMed Linvatec
ConvaTec Australia
Cook Australia
CooperVision Australia
Corin (Australia)
Daniels Corporation International
Device Technologies Australia
DJO Australasia
DTS Diagnostic & Technical Services
Edwards Lifesciences
EV3 Australia
Femcare Australia
Finsbury Orthopaedics International
Fresenius Kabi Australia
Gambro
GE Healthcare Technologies
Gel Works
Genzyme Australasia
Hologic (Australia)
Hospira
ITL Healthcare
Johnson & Johnson Medical
Johnson & Johnson Pacific
Johnson & Johnson Vision Care
Karl Storz Endoskope
KCI Medical Australia
Kimberly-Clark Australia
Life Healthcare
Ligamed Australasia
Link Orthopaedics Australia
Mathys Orthopaedics
Med-Chem Surgical
Medical Specialties Australia
Medigard
Medtronic Australasia
N Stenning & Co
Nanosonics
OrbusNeich Medical
Ortho-Clinical Diagnostics
Paragon Therapeutic Technologies
Paul Hartmann
Qlicksmark
Reliance Medical
Signostics
Simavita
Sirtex Medical
Smith & Nephew (Healthcare Division)
Smith & Nephew Surgical
Sorin Group Australia
Spectrum Ophthalmics
St. Jude Medical Australia
Stryker
Surgical House
Synthes Australia
Terumo
Tornier
Tyco Healthcare
W. L. Gore and Associates (Aust)
Zimmer

Associate members at 30 June 2010

Covance
Dassault Systems Australia
Five Corners
Healthcare Placement Solutions
Kelly Speech Communication
Lesley Pink, Regulatory Affairs Consultant
Open Sesame Consulting
Phillips Ormonde Fitzpatrick
Regulatory Concepts
RQ Solutions
Sectra
Seerpharma
SJ Alder
Sue Akeroyd & Associates
The Mentor Management Group
Ultrafeedback

Medical Technology
Association of Australia

30 YEARS SUPPORTING MEDICAL TECHNOLOGY IN AUSTRALIA

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