



**SONIC
HEALTHCARE
LIMITED**

20 November 2012

Australian Pathology Funding Agreement (PFA)

The Government and non-Government signatories to the PFA have reached agreement regarding the mechanism to recover the funding cap overspend applicable to FY 2012. Commencing 1 January, 2013, a 0.67% reduction to all pathology item rebates will apply, together with a \$3.50 reduction in the rebate value for the Vitamin D test item. These fee reductions are designed to recover the overspent amount over an 18 month period.

For Sonic, these changes represent an approximate 1.1% reduction of annualised total Australian pathology revenues. For FY '13, the effect will be halved, due to commencement on 1 January, 2013.

Review of Collection Centres

The Government is proceeding with a formal review of collection centre arrangements, with immediate commencement. Amongst others, the review will examine the impacts of deregulation and rental levels on competition and industry health in general. The review will be coordinated by independent consultants, with participation and contribution from the Departments of Health & Ageing, Human Services, Treasury, Finance & Administration, together with the non-Government signatories to the PFA. It is expected that the review will be completed by April 2013.

For further information regarding this announcement please contact:

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