



TRANSCRIPT OF PROCEEDINGS
Fair Work Act 2009

**JUSTICE HATCHER, PRESIDENT
VICE PRESIDENT ASBURY
DEPUTY PRESIDENT O'NEILL
DEPUTY PRESIDENT GRAYSON**

AM2024/20

s.157 - FWC may vary etc. modern awards if necessary to achieve modern awards objective

Gender undervaluation — priority awards review — Health Professionals and Support Services Award 2020

Melbourne

10.00 AM, THURSDAY, 13 NOVEMBER 2025

Continued from 12/11/2025

PN4736

JUSTICE HATCHER: Yes, Ms Burke.

PN4737

MS BURKE: Good morning, your Honour. Two housekeeping matters to mention. The first relates to the call that I made yesterday for the documents from Mr Houston, which have been produced, and I understand have now or are imminently to be provided to members of the Full Bench. I seek to tender those documents, but I do need to ask Mr Houston a small number of questions about them.

PN4738

I'm very grateful to my learned friend Ms Pase and her instructor who have arranged for Mr Houston to be available when we finish the three witnesses this morning, which is anticipated to be between 11.30 and 12 o'clock, that Mr Houston will be available by video at that time.

PN4739

I do expect that my questions will traverse confidential matters, and so all of that is by way of introduction to – I don't know if your Honour requires me to make a formal application, but if so I make a formal application to recall Mr Houston to tender those documents.

PN4740

JUSTICE HATCHER: Yes, all right. It's of no opposition, we will allow that.

PN4741

MS BURKE: Thank you. The second housekeeping matter is that the ACTU's notice in respect of Mr Browne does not need to be pressed. We have resolved that between us. Thank you.

PN4742

JUSTICE HATCHER: Will we defer the tender of the produced documents until we get Mr Houston up?

PN4743

MS BURKE: Yes. Thank you.

PN4744

JUSTICE HATCHER: Mr Tracey, did you want to say anything?

PN4745

MR TRACEY: No. I'm ready to call Mr Browne when it's convenient, your Honour.

PN4746

JUSTICE HATCHER: All right. Well, let's call Mr Browne.

PN4747

MR TRACEY: Yes, call Mr Browne.

PN4748

THE ASSOCIATE: Good morning, Mr Browne. This is the associate speaking from Melbourne. Can you hear me okay?

PN4749

MR BROWNE: I can, thank you. Good morning.

PN4750

THE ASSOCIATE: Thank you. In a moment before you give your evidence I am going to ask you to state your name and address for the record, and then I will ask you whether you agree with the affirmation I will read out. When we get to that if you agree please say 'I do.' Please state your full name and address.

PN4751

MR BROWNE: Oliver Browne, (address supplied).

<OLIVER JOHN BROWNE, AFFIRMED [10.07 AM]

EXAMINATION-IN-CHIEF BY MR TRACEY [10.07 AM]

PN4752

JUSTICE HATCHER: Mr Tracey.

PN4753

MR TRACEY: Thank you, your Honour. Mr Browne, could you state your full name for the transcript, please?---Oliver John Browne.

PN4754

Thank you. What's your occupation?---I am the chief economist at the Pragmatic Policy Group.

PN4755

Thank you. Could you just confirm your address again in San Francisco?---(Address supplied.)

PN4756

Thank you. You've prepared a report in this proceeding, or I should say a further report in this proceeding dated September 2025; is that correct?---Yes, that's correct.

PN4757

I will just ask you to confirm you have a copy of that report with you?---I do.

PN4758

Just to be clear it's a report, when one includes the annexures, that totals 19 pages?---Yes, 19, that's right; 20 including the title page.

PN4759

Yes. Thank you. Have you had a chance to read that report recently?---Yes, yesterday.

*** OLIVER JOHN BROWNE

XN MR TRACEY

PN4760

Is the report based upon your specialised expertise?---Yes, it is.

PN4761

Is the report true and correct?---Yes, it is.

PN4762

I tender the report, your Honour.

**EXHIBIT #HPSS171 EXPERT REPORT OF OLIVER BROWNE
FILED ON 17/09/2025**

PN4763

If the Commission pleases.

PN4764

JUSTICE HATCHER: Ms Burke.

CROSS-EXAMINATION BY MS BURKE

[10.09 AM]

PN4765

Thank you. Mr Browne, good morning, can you see and hear me clearly?---Yes, I can. Good morning.

PN4766

Thank you. Now, I just want to start with some questions about the inputs into your modelling, and perhaps the most useful place to start is your table 6 which is on page 13 of your report?---Okay. Just give me one moment. Okay, I'm there.

PN4767

Thank you. The second column, which is the first column with the numbers in that table shows the industry profile at present. The middle three show the statutory minima. So that's the impact if changes are made to lift wages to the new minimum rate. And then you've got the relativities preserved calculation. Now, that last scenario where relativities are preserved, and you were specifically asked to include that scenario in your modelling, you quite properly don't offer any opinion on the likelihood or otherwise of that occurring. That's right, isn't it?---I'd have to go back and check what the specific instructions were. That sounds right from my memory. I have not been asked to, nor have I given an opinion on whether that is likely to be a realistic scenario.

PN4768

Yes. Sorry, bear with me?---Would you like me to check?

PN4769

I'm trying to check for you, but if you could check that would be great. Thank you?---I have a letter of instruction in front of me, so I can look at it now. It doesn't actually appear as if I was asked.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4770

I'm looking at page 5, which is where you summarise the questions you've been asked to address, and those five dot points match – are a copy I think of what is in 10.1 to 10.5 of your letter, your letter of instruction. It doesn't actually look like you were expressly asked to calculate the relativities, but you asked from APL, Sonic and Healius for them to calculate what the wage impact would be if relativities were preserved?---Yeah. I think that the companies were asked by their solicitor, by their legal counsel for that information, and that information was provided to me. So that will have been why it was modelled that way.

PN4771

Yes. So you were asked, but in this slightly oblique way?---Yes. I guess I was doing this with that information. My team and I have built the model using all the data we were provided. So I guess the natural scenarios to model were a combination of the status quo, and then the award minima with no one receiving a pay cut. So if you're over the minima then you weren't cut down, and then finally assuming that enterprise bargaining agreements were renegotiated to preserve the relativities based on all the data. I mean it's good practice to use all the data you have, and they seem like reasonable scenarios.

PN4772

Sure. Okay. Your experience is chiefly in economic policy up to about 2013, or have you worked for government since then?---Not the government, no, but I worked at BlackRock which is the last asset manager in New York where I followed macroeconomic data to try and work out what central banks were going to do on the basis of like the market inflation data for example. And then I've worked in public policy roles at corporates in San Francisco for about five years following that, and for the last two years I have led my own consulting firm which models specifically economic policy, or the impact of policy and regulations on economic metrics, and the audience is primarily for policy makers.

PN4773

And occasionally for private companies like in this context?---So to be clear the audience, when I mean the audience I mean the readership is typically for policy makers, and I am typically commissioned by either private companies or not for profits. Yeah.

PN4774

Okay. I understand. The audience in this case is the Full Bench of the Fair Work Commission?---That's correct.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4775

All right. So back to your table 6. You've got three primary inputs which are revenue, labour costs - the relevant labour costs I should say pertaining to health professionals and pathology collectors, and other costs, and your output is net profit, which you assess as operating impacts. So that's net profit after tax, and I will come to some questions about that in a moment, but I just want to start with revenue. Your first input there is you've recorded 5.4 billion and the source of that is the IBIS Pathology services in Australia market research report, which is footnoted in your report, and you regard that as a reliable source of information

for this purpose, and just to be clear that's not a trick question. I regard it as a reliable question, and I know you're not answering my questions in case I am asking trick questions, but can you tell me if you regard that IBIS data as reliable?---Yes, I do. I do think it's reliable. Yeah.

PN4776

And you've tested it against the revenue reported by the big three private pathology companies in Australia anyway. I think you say based on their preliminary final reports, which you rely on, they report revenue of about 4.185 billion. If you extrapolate that you get pretty close to 4.5, 5.4 anyway?---The big three account for about 76 per cent of that industry revenue, which is how we scale the data from those three companies up to an industry level to get an industry-wide view.

PN4777

Yes, I understand. Yes. Now, your second input is labour costs, and your source for the actual projected labour costs comes from data supplied by ACL, Healius and Sonic, and the detail of what you asked for from those firms is set out on page 7 of your report under those headings 1, 2 and 3?---Yeah. Again I didn't ask for the data, I was furnished with that data, but that was the data I received. Yes.

PN4778

Okay. I'm just going to ask you a couple of questions about this and if you don't know of course that's the answer. In terms of the companies' current labour costs they were asked to provide two measures. So the current costs excluding superannuation oncosts, and then their current costs including superannuation oncosts, and it's that second category that you used. I understand that two out of the three firms didn't provide that second category, so they just provided current costs, no oncosts. For those two firms is it correct that you calculated the super and oncost addition by applying the ratio from the firms that did supply that information?---Yes, that is correct. Yeah. The only firm – there was only one firm that provided data for both pre and post those oncosts, and so I used the same proportions for the other two firms.

PN4779

Was that ratio about 19 per cent?---Correct.

PN4780

Okay. For your second and third categories in information, again the second and third looking here at page 7, the statutory minimum impact and real world impact, this required the companies to reclassify employees according to the preliminary views expressed in the Commission's decision. Starting with pathology collectors did you provide the companies with any guidance on how to do that reclassification?---I did not.

PN4781

Do you know if any guidance was provided to them?---My understanding is that it was at least in the case of the healthcare professionals.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4782

All right. Just sticking with pathology collectors for a minute are you aware if any guidance was provided in respect of the reclassification of pathology collectors?---I'm not. My understanding is it wasn't, but that - - -

PN4783

That's okay. Now, for health professionals you personally didn't provide them with any guidance to assist with the reclassification for that cohort of employees. That's right, isn't it?---Correct, I did not.

PN4784

Okay. But some guidance was provided. Now, you should have been sent a single PDF called 'ACTU tender bundle for Oliver Brownee.' Have you got that?---I do.

PN4785

Could you please turn to page 117 of that PDF?---Okay, I'm there.

PN4786

And that should be a document that says – it's titled 'Gender undervaluation review health professionals employees data.' Have you seen this before today?---Yes, I have. It was furnished to me overnight – sorry, yesterday I should say, by counsel who shared - - -

PN4787

Sorry, I'm just going to stop you because I don't need you to tell the Bench anything that might be privileged. Before yesterday had you seen it?---I don't believe I had. No.

PN4788

So to the best of your knowledge though are these the directions that were provided to companies to enable them to undertake the reclassification for health professionals?---To the best of my knowledge, yeah.

PN4789

All right. Can I tender that document, please. I don't need to tender everything in the bundle, so I will do it by bit.

**EXHIBIT #HPSS172 DOCUMENT HEADED 'GENDER
UNDervaluation REVIEW HEALTH PROFESSIONALS
EMPLOYEE DATA'**

PN4790

172. Thank you. Okay. So to the best of your understanding, Mr Browne, each of ACL, Sonic and Healius undertook that reclassification exercise for their – did you record 6,043 full-time equivalent health professionals – and their 10,743 full-time equivalent pathology collectors, and you accepted what they sent you at face value, or did you undertake any testing of the numbers?---I accepted it at face value, and I wasn't part of any discussions about how the data was procured.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4791

Okay. All right. So you relied on the information that they supplied as accurate to the best of their knowledge and yours?---Yes, correct.

PN4792

Also on page 7 you identify a couple of assumptions that you applied to the data to fill certain gaps, and one of those is the oncost public we have already discussed. Another is that you translated raw head counts to full-time equivalent for one company by using the ratios of another. Were there any other assumptions that you applied to the data you received that aren't described here?---Yeah, the last, which I believe you may have already been made aware of, but for the benefit of the Commission in the first scenario where I calculate the impact of the changes if the relativities between the EBAs and the award minima are preserved. One company did not provide data for that first scenario. So I again estimated what the data for that company was likely to be based on the data of another company, assuming the same proportions. So assuming the same relativity of, I guess, the average wage level over the award minima for one company as another company had.

PN4793

Was that the case for health professionals and pathology collectors or just one cohort?---For both.

PN4794

All right. Your third input into your model is other costs and taxes, which in your table is 4.535 billion – 353, sorry, in case I said 535. I meant 4.353 billion. Your costs include interest and tax, and this is because you use NPAT, not EBIT, as a measure of profit. That's right, isn't it?---Yeah, and for the benefit of the Commission that's net profit after tax, which includes all expenses, including interest and tax that a company pays, as opposed to EBIT which is earnings before interest and tax. So both are earnings metrics that are used to commonly assess financial performance.

PN4795

It's on the basis, that is this basis, sorry, that the use of NPAT that you say on page 1 of the Australian pathology industry has a profit margin of 2.1 per cent?---That's correct.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4796

Yes. Because 112 million is 2.1 per cent of 5.4 billion. Even I can do that maths. Now, you prefer operating NPAT as a measure of profitability over EBIT, because you say that EBIT doesn't account for several potentially significant expenses incurred by companies. But for these companies, the pathology companies, what significant expenses do you say are not accounted for in EBIT?---There's a couple of things to separate out here. The first – the reason I have called it operating net profit after tax is because I'm looking at things on a recurring basis. So you remove anything that is an extraordinary or one time impact. Right. That's what operating means, make it recurring. It's a fair picture of what happens year to year. The second is the difference between EBIT and

NPAT, and the only difference between those two is really interest and tax, and those are both cash expenses that companies incur.

PN4797

Okay. So it's those three (indistinct) of expenses; one off, which might include some sort of significant capital investment for example, and then interest and tax. So I just want to try and understand how you calculated your NPAT of 112. Did you calculate NPAT first and then assume the difference between revenue less labour costs was the other costs of 4.353, or did you calculate that number first and then the NPAT is what's left over after you deduct labour costs and other costs from 5.4 billion?---The other costs and taxes, which I think you're referring to, were calculated as the difference between the 5.4 billion and revenue and net income less the labour costs.

PN4798

Okay. I see. Now, can you have a look, please, at page 8 of your report. You give some evidence here about how you calculated the NPAT. So this is under the heading 'Industry revenue and profitability', and the second paragraph that starts, 'I use FY 25 financial NPAT' – et cetera. You say that for each company you estimated the share of their NPAT that can reasonably be attributed to their pathology business in Australia, and you had to do that because the NPAT was not available directly from the three financial reports that you had access to when you prepared your report. That's right?---That's correct, yeah. Yeah, that's correct. It's not standard practice for these companies to report the specific net profit after tax for only the services we're talking about, be it the pathology services related to these two professions or these two sets of roles, and only for Australia. Two at least – well, at least one of the companies is global in nature and they have other business lines as well.

PN4799

Yes, that's right. I think you're talking about Sonic, and I'm only referring here to publicly available information, but they do report a proportion of their revenue that's from the Australian Laboratory, what they call laboratory, what we all call pathology sector, which is about 21.9 per cent. So Sonic reports something called net profit. ACL reports something called underlying NPAT, statutory NPAT, pre-tax impact NPAT, and pre AAC16 NPAT, and Healius reports what they call reported NPAT. And so from those inputs into their financial reports that you derived your industry NPAT, if I will call it that, or did you take that figure from somewhere else?---So I'm happy to walk through for each of this, because it's public information, how I calculated them. So for – starting with Sonic we had a net profit of actually coincidentally \$112m.

PN4800

Yes. Sorry, can I pause there. Sorry, Mr Browne. You should have those three financial documents you used in the tender bundle, and if you could just – you're only looking at that material and speaking from your own memory. That's right, isn't it?---It is. I'm actually looking at my financial model, because I would then need to go back and – so I received the ACTU tender bundle about a minute before I logged on, so I'm not – I would have to reorient myself.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4801

Yes. Sorry. Because we don't have your financial model - -?---Got it.

PN4802

- - - can you either – why don't you look, please, at the ACTU tender bundle just so you're comforted being provided with documents to be put to a witness in cross-examination. The moment you put them to – the moment you ask the question is absolutely standard practice. Your minute's notice was advance notice. All right. Sorry, you just went black for a minute there?---No. I can hear you. I guess – I guess what I'm saying is I know my financial model well and my team when they built the model originally have built it based on all of these inputs. Now I can - as a former financial analyst I can walk through and I – I'm not – I'm just wondering whether it's a good use of the Commission's time for me to walk through and find all these numbers from the primary sources, but I'm happy to do so if that's helpful.

PN4803

Well, I think it probably would have been helpful if we had your financial model. So I might ask you just to close that?---Okay. Sure.

PN4804

And in any event your evidence is that you constructed your industry NPAT from those three financial sources that you've identified in your report: so that's the Sonic Healthcare and the Healius preliminary final reports and the ACL results presentation?---Yeah, that's correct.

PN4805

Yes, and only those three documents?---Yeah, that's correct. That's where the - all of the publicly available financial numbers and metrics work was sourced from.

PN4806

Yes. Yes. All right. There was no impediment to you including your financial model in the report itself, was there?---Well, the financial model is a - is a - is an Excel document, so - - -

PN4807

Yes?--- - - - it doesn't go into a PDF, and - - -

PN4808

No, but it could still be produced. We can email Excels now, which is amazing technology. All right. So now, I understand, you say that operating NPAT is the better measure of profitability, for the reasons you've described. But you acknowledge, of course, that another very common way that publicly listed companies measure profitability is by EBIT. And unlike NPAT, each of ACL, Healius and Sonic report EBIT and EBITDA, don't they?---EBIT - so to take that in two parts - EBIT is a common measure. EBITDA is another common measure, where you would - would look at earnings before depreciation and amortisation, as well. Truthfully, any of them are valid.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4809

Okay?---Profit before tax is another measure. To - to look at what was reported by each of those, I would have to look through each of these financial documents. I'm happy to do that, if that's helpful.

PN4810

No, I'm just going to take you to something else first. We weren't able to access the IBISWorld report that you used in your report, but we've got another one to show you, and that is at tab 4, or bookmark 4, in the tender bundle, which is page - - -?---Okay, just give me one moment.

PN4811

Page 69 of the PDF?---Got it. Just bear with me.

PN4812

Yes, of course?---I'm sorry, what page? 69, did you say?

PN4813

69?---69, okay.

PN4814

And that's the IBISWorld Pathology Services in Australia report, dated September 2025?---Yep.

PN4815

Yes?---I've - I've got that in front of me now.

PN4816

Great?---Yep.

PN4817

All right. And if you turn, please, to internal page 3 of that document, which is 74 of the PDF. This shows revenue of 5.7 billion, which is a little higher than 5.4 in the report you used, but that's okay. And it shows industry profit of 767 million, or a 13.4 per cent profit margin. And I can tell you that IBIS reports profit as earnings before interest and tax. That's in their dictionary. Can you have a look, please, at the last document in the bundle, which is on page 119?---Yes, I can. I'm there now.

PN4818

Now, this is your table 6, except that the net income - it should just say 'income' - at the bottom has been replaced with the EBIT of 767 reported in the report we just looked at. And you can see that that reduces the other costs from 4.3 billion to 3.7 billion. And so, accordingly, the reduction in income goes from - for the award minima calculation by 8.74 per cent, and then a reduction of 15 per cent for the relativities figure. My question is whether you did something like this for the purpose of preparing your report, just even in the drafting of it?---Yes, I did.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4819

Okay. And did you consider whether to include EBIT as an alternative measure of profitability in your report, even if it was just for a comparison purpose?---I was - I actually started by calculating EBITDA.

PN4820

Yes?---Which, as I said, is also before depreciation and amortisation. And I shared that in the initial draft of my report. And by way of feedback, I was asked if I would consider looking at it on a net profit basis - net - net profit after tax. And I considered that request reasonable. I - I actually don't see much difference between using any of these metrics. I think what, probably, everyone is driving at, for the Commission's benefit, is, it matters optically which one you use. Net profit after tax is a smaller number. So it's a bigger percentage decline when you look at it in net profit after tax terms; it's a smaller percentage decline when you look at it in EBIT terms. It doesn't matter; it's the same dollars which are - which are being taken away from profit, either way, and it has the same impact in terms of flow-on effects for the businesses.

PN4821

In terms of just fixed dollars, holding everything else constant?---Yeah, it's - it's exactly the same. It's - you're saying it's a smaller percentage of a bigger number - - -

PN4822

Yes?--- - - - or a bigger percentage of a smaller number; it - it doesn't matter. It's just optical.

PN4823

All right. Can I tender table 6. Technically it's a submission, but I'm happy to tender it, if that is convenient.

PN4824

JUSTICE HATCHER: Yes.

PN4825

MS BURKE: The EBIT table 6.

PN4826

JUSTICE HATCHER: So table 6, EBIT, will be marked exhibit HPSS173.

EXHIBIT #HPSS173 EARNINGS BEFORE INTEREST AND TAXATION TABLE 6

PN4827

MS BURKE: And I don't want you to tell me anything about what was said, Mr Browne, but you said you were asked to use NPAT. Were you asked by DLA Piper to use NPAT?---I was asked, but I don't recall exactly who the request came from. I think it was one of the companies had a preference for using NPAT.

PN4828

Okay. Thank you. All right. Now, it's uncontroversial - - -

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4829

JUSTICE HATCHER: So are you moving on from the IBIS report?

PN4830

MS BURKE: I am. And I - - -

PN4831

JUSTICE HATCHER: Can I just ask a question about that. Mr Browne, the IBIS report refers to profit margins of 13.4 per cent. How are we to understand that in light of what you say about this topic?---It's a good question. So again, it just depends on which - which measure of earnings you use. So if you - if you start at the top, you say there's revenue, and you take out a certain number of costs, like labour costs - it all turns on whether you take out a couple of costs which are key here: interest paid by the company on its loans, the money it has borrowed; and taxes that it pays to the government. If you - if you look at earnings before those expenses are paid, it's a - it's going to be a bigger earnings number, and a higher profit margin, and I - I have to - I would have to look at this IBIS report carefully, but from what counsel are saying, it sounds like they are using that bigger number. If you take out interest and tax, which are cash expenses that businesses pay, and you - you get to a - a net number, which is the net profit after tax, and it's also after interest; therefore, it's a smaller number. And when you put either of those numbers over the top of revenue - so revenue becomes the denominator - you're going to have a smaller percentage or a bigger percentage, depending on whether you use the smaller earnings number or the bigger earnings number. And it all goes to, have you accounted for taking out the - the cash that you pay to the bank or your bondholders on your borrowings, and the taxes you pay to the government, or provision.

PN4832

Well, I mean, just impressionistically - I mean, I obviously understand that conceptually, but impressionistically - there's a big difference between your headline number of 2.1 per cent profit margin and 13.4 per cent. That is, one of those arguably gives a misleading picture about the profitability of the industry?---There - it - yeah, you're - you're entirely right. It just depends on which number you use. I - I can see that both sides want to use the number that's optically better for them. But I can assure you, it's the same in dollar terms at the end of the day. It doesn't matter. It's the same amount of dollars that you're paying; it's the same amount of dollars that, therefore, aren't available for other spending.

PN4833

All right. Thank you.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4834

MS BURKE: Well, the same amount of dollars that aren't available, but the impact of that will be very different if you have a billion dollars compared to a million dollars, won't it?---Well, I think I disagree with the premise of the question, because if you had labour cost increases of \$100, it doesn't matter in

what terms you expressed earnings, your costs go up by \$100, and that's \$100 that you don't have available to spend on something else.

PN4835

That's right, but that might be money you can afford to be without, or it might not, depending on your starting position?---Again, I'm not sure I agree with the premise of the question, because I think that the difference between the two earnings metrics is that the one that I've used in the report also accounts for cash payments you have to make to your bank or - or to your lenders or to the government. So that's money that's gone.

PN4836

Yes?---So looked at from that perspective - and it is probably entirely reasonable to look at net profit after tax - there are some schools of thought that EBIT or EBITDA is close to true cash flow of a company. I guess what I'm saying is I think that it's totally optical and almost semantic and I don't think it has a bearing on the real world impacts of the labour cost increase. This is just how you're dressing it up. What really matters is how much money you have to pay.

PN4837

You don't think this is a question of substance. You think it is ultimately a superficial question?---I think which (indistinct) metric you use is a superficial question, correct.

PN4838

Impact has to be estimated and EBIT is reported. That's right, isn't it?---Yes, EBIT is not at least last time I checked in Australia is not a measure that's recognised under the accounting standards. Net earnings or net profit after tax is. So it'll be referred to as - typically companies will highlight where they've calculated their own EBIT. So if you go to - my guess would be if you go to the actual - the raw documents that you've provided it will be net earnings which is in the profit and loss statement and the income statement but they'll also say, 'By the way, if you look at it before we pay our interest and our taxes, it's going to be a higher number'. And of course companies want to show that higher number to investors as well.

PN4839

Yes?---Yes.

PN4840

All right, now, it's uncontroversial - sorry, I'll just tender the IBIS report, please, the September 2025 IBIS report.

PN4841

JUSTICE HATCHER: All right. The IBISWorld report entitled: 'Pathology services in Australia 2025', will be marked exhibit 174.

**EXHIBIT #HPSS174 IBISWORLD REPORT ENTITLED
'PATHOLOGY SERVICES IN AUSTRALIA 2025'**

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4842

MS BURKE: Thank you. It's uncontroversial that ACL, Sonic and Healius account for - I think you said 76 per cent of the private pathology sector and on that basis you scaled their combined financial data to represent that full market. Just to be clear, because you refer in several places in your report to that, you scale those firms to represent the private pathology market only. So whether that market is employing pathology collectors or health professionals, it's just the private pathology market in that sense. That's right?---Yes, that's correct.

PN4843

Okay?---Yes, that's correct, yes.

PN4844

So you're not saying that ACL, Healius and Sonic hold 76 per cent of the market employing health professionals at large?---No, that's correct. I would have to check but the 5.4 billion of revenue that I've used in the report I believe is just for private pathology.

PN4845

That's right. I think we saw yesterday - you may be familiar with the fact that Sonic healthcare also has a radiology revenue source, which grew by 10 per cent or something like that in the last financial year. And that radiology sector employees health professionals. So does that mean you didn't take into account income from or revenue from the radiology component of Sonic in calculating the 5.4 billion?---That's correct. I actually - look, please let me know if it's not appropriate to look at this - but I'm looking at the link that was provided in my report for pathology services in Australia market research report 2015 to 2030. That's footnote 11 at the bottom of page 8.

PN4846

Yes, unfortunately - sorry, Mr Browne. We can't access that because it's subscription only?---Okay.

PN4847

So that's why we gave you the other report which I'm pretty sure contains very similar information, just updated, because I think when you looked at it was before the annual reports were published?---Yes, correct. It was in September, I think. The modelling was done that was 5.4 and now it's 5.7, as you pointed out in your attachment, yes.

PN4848

Okay. All right, just turning now please to your page 14 which is your assessment of the impact of these changes or proposed changes on employment growth, job security, competitiveness and viability. So this is just your section 4. I notice you don't cite any material in support of your opinions here. Is this aspect of your opinion give at a fairly level, isn't it?---It's based on my experience both looking at economic data but more importantly, working inside companies which have seen financial challenges and the responses that they've had. So it's firsthand experience.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4849

Okay?---And it's also based on, I would say, common understanding of the way that businesses behave. For the benefit of the Commission I've spent nearly a decade at places like J.P. Morgan and BlackRock, studying companies just like these, including the financial metrics and their responses to - and I've been in companies which have faced challenging financial situations and I've seen how they responded.

PN4850

Just under the heading, 'Employment Growth', in the third sentence you write:

PN4851

Higher award wages may assist with recruitment and retention in undervalued classifications but the overall effect is to suppress employment growth or increase layoffs.

PN4852

There's a considerable body of literature in labour economics looking at this question isn't there: the impact of changes to minimum wages on employment levels?---Yes, there is.

PN4853

Yes, and a considerable cohort of that literature finds no or little negative impact on employment growth from increases to minimum wages?---Look, my understanding of this is it's - I mean, often that research really depends on perspective. I think people come at it from different perspectives, depending which side of the debate they're on. I haven't studied the latest empirical evidence on the effect of minimum wage but there are a range of different views out there.

PN4854

You're not suggesting, are you, that each of those studies is partisan?---No, I'm not suggesting that. But I am I guess suggesting that people come to these things with their own world experience and their own priors. So I guess what I'm saying is I would expect there would be a distribution of outcomes and there would be a whole range of different research. Some would say that increasing minimum wage has no impact on employment. Some would say it has a meaningful impact on employment. I haven't studied the latest data.

PN4855

Okay. And going now to heading 5, 'Phasing or delayed implementation' - and this is where you've recommended a minimum five-year phasing in period - and at the last sentence there you say the five-year minimum reflects best practice for significant sectorial transitions. Is that your opinion as an economist, a financial analyst or as a lawyer?---That's actually - sorry - based on - so what we looked at here was what had happened in other award cases and in the Child Services Award in April of this year. There was a five-year phase in period and also for the modern awards implementation 2010 to 2014. So perhaps best practice - perhaps I'm not equipped to make the judgment that it's best practice based on my experience but it was based on those observable data points.

*** OLIVER JOHN BROWNE

XXN MS BURKE

PN4856

So this sentence might better read: 'The five-year minimum reflects common practice based on those two examples'?---Yes, look, it may have been better worded that it reflects those two examples.

PN4857

Okay. Thank you, no further questions for Mr Browne.

PN4858

JUSTICE HATCHER: All right. Any re-examination, Mr Tracey?

PN4859

MR TRACEY: No, thank you, Your Honour.

PN4860

JUSTICE HATCHER: Thanks for your evidence, Mr Browne. You're excused and you can disconnect from the call?---Thank you.

<THE WITNESS WITHDREW

[10.47 AM]

PN4861

MR TRACEY: Our next witness if the Full Bench pleases is Maja Wolow and I call Ms Wolow.

PN4862

JUSTICE HATCHER: All right, thank you.

PN4863

THE ASSOCIATE: Good morning, Ms Wolow. This is the Associate speaking from Melbourne. Can you hear me?

PN4864

MS WOLOW: Yes, I can hear you, good morning.

PN4865

THE ASSOCIATE: Good morning. In a moment before you give your evidence I'm going to ask you to state your name and address for the record. And then I'll ask you whether you agree with the affirmation I'll read out. When we get to that, if you agree please say I do. Sorry, please state your full name and address.

PN4866

MS WOLOW: My name is Maja Wolow and my working address is Sky City, Building 8, Level 4, Suite 403, Lexington Drive, Bella Vista, New South Wales 2153.

<MAJA WOLOW, AFFIRMED

[10.48 AM]

EXAMINATION-IN-CHIEF BY MR TRACEY

[10.48 AM]

*** MAJA WOLOW

XN MR TRACEY

PN4867

JUSTICE HATCHER: Mr Tracey.

PN4868

MR TRACEY: If the Commission pleases. Ms Wolow, can you state your full name please for the transcript?---Maja Wolow.

PN4869

And you've given your address as Building A, Level 4, Suite 403, 20 Lexington Drive, Bella Vista New South Wales. Is that correct?---That is correct.

PN4870

And you are a collections manager employed by Australian Clinical Labs, ACL. Is that right?---That is correct.

PN4871

Thank you. You prepared a witness statement in this proceeding?---Correct.

PN4872

You have a copy of that with you?---Yes, I have a hard copy next to me.

PN4873

I understand you wish to make some small changes to that statement. If I could just take you through those. Paragraph 7 you will see a number of 5,000 pathology collectors you wish to change to 5,500; is that correct?---No, the correct answer is over 550 collection staff.

PN4874

I apologise. So what's the correct number there just to clarify?---Over 550 pathology collection staff.

PN4875

Thank you. Sorry about that confusion there. Then you also wish to change five trainers to six trainers, is that right, in that same line?---That is correct.

PN4876

Then in paragraph 8 the number 435 collection rooms should be 430 collection rooms; is that right?---That is correct.

PN4877

I understand that the reason for those changes is that there's been some development since you prepared your witness statement; is that right?---That is correct, the numbers have changed since original statement was drafted.

PN4878

Thank you. Then if you could go to paragraph 11, the third sentence, 'The pressure is different in a busier room' – et cetera. That should now read, 'The pressure is no different in a busier room.' Is that correct?---That is correct. I missed that. That is what I was trying to say.

*** MAJA WOLOW

XN MR TRACEY

PN4879

That's fine. Then further into that paragraph on the third last line where it states, 'There is pressure to perform a number of collections per hour', that should now read, 'There is still the requirement to perform a number of collections per hour.' Is that the change you wish to make?---That is correct.

PN4880

Thank you. Paragraph 12, instead of reading, 'The complexity of work demands', it should read, 'The situational work demands.' Is that correct?---That is correct.

PN4881

Then it reads - - -

PN4882

JUSTICE HATCHER: Sorry. The situation?

PN4883

MR TRACEY: It should read, 'The situational work demands.'

PN4884

JUSTICE HATCHER: Situational work demands. All right. Thank you.

PN4885

MR TRACEY: For collectors, et cetera. Yes. And then the next line, just completing that sentence, 'The situational work demands for collectors at low volume single staffed ACCs is not' – and then you wish to make a change here to read, 'is not the same as for collectors who work in really busy rooms' - et cetera. Is that a change you wish to make as well?---That is correct.

PN4886

Thank you. Then if you could go to paragraph 19, please. As I understand it you wish to change at the end of the first sentence – I beg your pardon. Yes, at the end of the first sentence, 'To be able to perform more complex tests.' You wish to change that to 'more diverse tests.' Is that correct?---Yes, that is correct.

PN4887

Then the last sentence of paragraph 19 should begin with the word 'Generally', so it reads, 'Generally after five years' experience' – et cetera. You wish to make that change too?---That is correct.

PN4888

And finally paragraph 20, the second sentence, 'The proposed changes may be disadvantageous for senior experienced collectors working in a busy room or in hospitals with more complex tests.' Again you wish to change that to 'more diverse tests' rather than complex; is that correct?---That is correct.

PN4889

Apart from those changes, Ms Wolow, is that statement true and correct?---I just want to mention about also difficult bleeds. I just realised that that is something that's used by pathology collectors. What I mean by difficult bleeds is different situations.

*** MAJA WOLOW

XN MR TRACEY

PN4890

So just to clarify you refer to difficult bleeds in paragraph 12, and I think paragraph 19?---Correct.

PN4891

What do you say about the meaning of difficult bleeds?---So I realise that this term that is only used by pathology collectors, what I'm trying to say here is different situations for type of patients.

PN4892

I understand. So apart from that you would agree your statement is true and correct?---That is true.

PN4893

Yes. I tender the statement of Ms Wolow, your Honour.

**EXHIBIT #HPSS175 WITNESS STATEMENT OF MAJA WOLOW
DATED 27/06/2025 AS AMENDED**

PN4894

JUSTICE HATCHER: Mr Tracey, can I ask your instructor at some stage to file an amended or send us an amended version of the exhibit.

PN4895

MR TRACEY: Certainly, your Honour. Yes, we will attend to that today.

PN4896

JUSTICE HATCHER: Yes, all right.

PN4897

MR TRACEY: If the Commission pleases.

PN4898

JUSTICE HATCHER: Mr Lettau.

PN4899

MR LETTAU: Thank you, your Honour.

CROSS-EXAMINATION BY MR LETTAU

[10.55 AM]

PN4900

Good morning, Ms Wolow, my name is Mr Lettau, I've got a few questions for you. But first can you see and hear me clearly?---Yes, I can. Good morning.

PN4901

If you don't understand anything I ask you please just feel free to ask to repeat the question for you?---Not a problem.

*** MAJA WOLOW

XXN MR LETTAU

PN4902

So you're a collections manager for ACL within the New South Wales area?---Correct. New South Wales and also ACT, or Australian (indistinct).

PN4903

When did you become collections manager?---Collections manager is more than five years ago. First I become collections manager for Medlab Pathology. In 2019 Australian Clinical Labs bought Medlab Pathology, and then I become collections manager for Australian Clinical Labs.

PN4904

When did you last work as a pathology collector?---Twenty-five years ago. Approximately 25 years ago.

PN4905

I understand you started working as a pathology collector 25 years ago; is that right?---That is correct.

PN4906

When was the last time that you worked as a pathology collector?---I still perform blood collections when I'm visiting collection rooms. So the last time I performed blood collection was last Thursday in the training room.

PN4907

What are your main responsibilities as a collections manager?---So I manage all collections staff in New South Wales and ACT for Australian Clinical Labs, also known as ACL Pathology. So I also have responsibility for 430 collection rooms. The majority of those collection rooms they are attached to the medical centre, and some are sent along ACL independent run site. We also provide service to 12 hospitals, and also we have home visits and diagnostic department.

PN4908

Yes. I wanted to ask you a few questions about those different settings?---Yes.

PN4909

How many of the 430 collection rooms are standalone?---Only a small portion.

PN4910

Okay. Do you know roughly?---No more than five.

PN4911

What kind of settings are the standalone collection centres; are they in standalone buildings or are they connected to other buildings like shopping centres or anything like that?---Connected to other buildings, not a shopping centre.

PN4912

Then you mentioned there's 12 hospitals where there's collection centres, and you also referred to home visits. What do home visits involve?---So collectors (indistinct) pathology collections at the patient's home or a nursing home.

*** MAJA WOLOW

XXN MR LETTAU

PN4913

Are these usually done by one collector?---Correct, one collector.

PN4914

What proportion do you know of the ACL services is represented by the home visits?---So in New South Wales we have nine collectors that perform in-home visits. In central coast and Newcastle area we have one collector, and also in ACT we have one collector. Approximately these collectors are performing between 15 to 20 collections per day, depending on the bookings.

PN4915

How does it work, for example do they go to one nursing home for instance and perform multiple collections there, or is it in the sense that they move around to different locations in one day?---They move around from patient – from one patient home to another patient home, or from one nursing home to another nursing home. And as I mentioned this is done by booking when the collectors are aware of how many bookings are done per day or which one are fasting and which one are not fasting, and that's how we determine the time that the collector has to spend or approximately what will be the time required for the collector to finish the whole pathology collection.

PN4916

And how do they prepare for - on a given day before they go out and do their collections?---So first thing in the morning they review their run. A run is scheduled by the home visit department with instructions for which patient to be performed first, second, third, which request form they have to use for the particular patient and also what tests are requested. Also if for the following day it's required to have one of the tests is ECG they have to require to have an ECG machine. They are picking up the ECG machine with them from their starting point.

PN4917

And do they perform the full range of tests?---Yes.

PN4918

What the procedures if there's an incident, for example, while they're out at one of these sites doing a collection?---Sorry, I don't understand the question.

PN4919

If something goes wrong, let's say, you know, a medical emergency or an aggressive patient or something along those lines, what's the process that the collector is meant to follow?---So depending on the situation they are required to call Triple Zero or to contact the supervisor.

PN4920

And a supervisor is available how - - -?---All the time.

PN4921

On the phone?---Yes.

*** MAJA WOLOW

XXN MR LETTAU

PN4922

You say - you've corrected your evidence now - you have 550 pathology collectors in - - -?---Correct.

PN4923

In the area that you're responsible for and that there's 12 supervisors?---That is correct.

PN4924

So those 12 supervisors are responsible for supervising 550 collectors?---Correct. So the 12 supervisors, they look after their own area and the collectors within that area and supervisors and trainers directly report to me.

PN4925

Understood. You're not a supervisor though?---I'm not. Previous I have been but at the moment I'm collections manager.

PN4926

All right. In terms of patient volumes, you talk a little bit about patient volume in your evidence?---Correct.

PN4927

Does ACL set any targets for what, for example, a pathology collector should be - the number of collections a pathology collector should be taking, say, each day or each shift or anything like this?---We have per hour it's no more than five to six patients per hour. The expectation is to perform no more than five to six patients per hour.

PN4928

So that's a maximum. Is that - - -?---Correct.

PN4929

Is that in order to be giving, you know, to ensure safety and quality of service?---Correct.

PN4930

And what about - is there any - are there any targets in terms of minimums that would make a collection room viable from a business perspective?---That's more for upper management and marketing. We follow their instructions if that room should be open or closed or what would be the opening hours of the collection room.

PN4931

Okay. And you give evidence about volumes. You would accept that some collection centres have higher volumes than other collection centres?---That is true.

*** MAJA WOLOW

XXN MR LETTAU

PN4932

And I think you say that the multi-staff sites, they have higher volumes than the single staff sites?---That is correct. And the reason why we have more than one

collector, multi-site collection room, than a single-site collection room, because that site is busy and it's the volume of the patients.

PN4933

Yes, and with more collectors on site obviously that means you can absorb a higher volume of collections?---That is correct.

PN4934

And some multi-staff centres have higher patient volumes than other multi-staff centres as well, I'd imagine?---Once again depending on the volume of the patients: if the volume of the patients requires two collections there will be two collectors working at the site. If the volume of the patients is even higher, there will be three or four collectors working in the site so depending on the volume of the patients or number of the patients attending the site per hour in certain hours of the day which is usually in the morning.

PN4935

Thank you. Would you accept that for lack of a better word the business of a pathology collector is best measured by the number of patients an individual collector is seeing per day rather than how many are passing through the centre as a whole?---I don't understand the question.

PN4936

I'll try and rephrase it. Would you accept that the pressure a collector is under doesn't depend only on the total number of patients going through the centre but on how many patients that collector personally has to collect from?---The pressure it's not different for the collector working the single site collection room or the multi-site collection room. The only difference is the volume of the patients, the type of the work is exactly the same for collector working at single site or multi-site collection room.

PN4937

Okay. Would you accept that the pressure depends also on other tasks that the collector may have to do aside from collecting samples?---The tasks are exactly the same and expectation is exactly the same for pathology collector working in single site collection room and multi site collection room.

PN4938

And in a multi-staff centre, where there's more than one collector, there's opportunity to share some of those other tasks?---No, because both collectors working in a multi-site collection room they're working their own collection room and they work individually and independently from starting, taking the patient, the collection room, finishing the patient, preparing the specimens, completing the paperwork or anything else that is involved.

*** MAJA WOLOW

XXN MR LETTAU

PN4939

You give examples of what you call - you at least called in your original statement - difficult bleeds: for example, paediatric testing. It's possible when you have a multi-staff centre that you could have two collectors assist to perform a single

collection in the paediatric setting, is that right?---So paediatric collection - I'm talking about the child under 5 years old - can be performed at a single staff collection room but from my own experience and what I have witnessed for the last 25 years as a pathology collector, a trainer, supervisor, now collection manager, it's better if it's performed by two collectors when one collector is holding the child's arm and the second collector is performing the (indistinct) puncture when both collectors are trained and they know the procedure.

PN4940

And I think you say at paragraph 13 of your statement that it can be challenging to do the paediatric testing with just one collector?---Depending of the child's age or reaction of the child and also the reaction of the parents because sometimes the parents can become emotional because it's regarding their child. Even in a single-staff collection room collectors always are required to contact a supervisor. Supervisor can come and assist with the collection or supervisor may ask the collector which is working two streets down to come to the other collection room and assist the other collector or supervisor may even ask the home visit collector that is in the area to go to that collection room and assist with the collection.

PN4941

The supervisor won't always be available to assist in these situations, will they?---In New South Wales and ACT they are always available. They are on the field most of the time. I'm talking about ACL.

PN4942

At ACL?---Yes.

PN4943

You'd accept though that if a collector is doing a paediatric collection on their own, that is generally speaking going to be more challenging than if they had another collector or their supervisor to assist them?---As I said can be performed by one collector but it's better to be performed by two collectors.

PN4944

In a multi-staff centre, where there's more than one collector, the collectors can ask questions of - and give answers to each other about any difficulties they might face?---The procedure is if even collectors working - normally they're working at a single site or multi-staff collection room, the procedure is if they have any questions regarding collection requirements or reading difficult doctor's writing they should be asking collection adviser. The collection adviser role is answering collectors' phone calls and advise them on what kind of tube or specimen is required to be collected, or inform the test that it's hard for the collector to understand if the doctor has difficult writing. If collection adviser can't find a test in the test guide manual or can't read the difficult doctor's writing, then they approach the duty manager. If it's any other scenario than collection requirements or reading difficult doctor's writing, then the collector is required to go to the supervisor where the supervisor will provide the best answer or advise them on the particular scenario.

*** MAJA WOLOW

XXN MR LETTAU

PN4945

You're not suggesting in all that, though, that when two pathology collectors are working side by side, they're not going to be interacting with each other and helping each other out?---They could, but the procedure is to go to the supervisor because the other collector might be less experienced or skilled, or might provide incorrect answer for that required question or scenario.

PN4946

Thank you, Ms Wolow. I have no further questions, your Honour.

PN4947

JUSTICE HATCHER: Any re-examination, Mr Tracey?

PN4948

MR TRACEY: No, thank, your Honour.

PN4949

JUSTICE HATCHER: All right. Thank you for your evidence, Ms Wolow, you're excused, which means you can disconnect from the call?---Thank you.

<THE WITNESS WITHDREW

[11.10 AM]

PN4950

JUSTICE HATCHER: Will we deal with Mr Meckiff now?

PN4951

MR TRACEY: If that's convenient, your Honour.

PN4952

JUSTICE HATCHER: Yes. All right.

PN4953

MR TRACEY: I call John Meckiff.

PN4954

THE ASSOCIATE: Please state your full name and address.

PN4955

MR MECKIFF: John William Meckiff, (address supplied).

<JOHN WILLIAM MECKIFF, AFFIRMED

[11.11 AM]

EXAMINATION-IN-CHIEF BY MR TRACEY

[11.11 AM]

PN4956

JUSTICE HATCHER: Mr Tracey.

PN4957

MR TRACEY: Thank you, your Honour.

*** JOHN WILLIAM MECKIFF

XN MR TRACEY

PN4958

Mr Meckiff, your full name is John William Meckiff?---That is correct, yes.

PN4959

You have given an address in (suburb supplied) a moment ago. I understand that's because you are no longer employed by Healius Ltd at this time; is that correct?---Yes, that is correct, yes.

PN4960

Could you just confirm when your employment ceased with Healius?---30 September this year.

PN4961

Since then, have you had employment or been engaged otherwise in work?---I've been doing some management consulting work.

PN4962

So you'd currently describe your occupation as management consultant?---Correct.

PN4963

Thank you. You prepared a statement in this proceeding?---Correct.

PN4964

I'll just ask you to confirm you have a copy of that with you?---I do.

PN4965

Just to confirm, it is a 16-paragraph-long statement dated 27 June 2025?---Correct.

PN4966

Have you had a chance to read the statement recently?---Yes, I have.

PN4967

Is the statement true and correct, noting that change of employment?---Yes, it is.

PN4968

I tender the statement, noting that matter, your Honour.

PN4969

JUSTICE HATCHER: Yes. The witness statement of John Meckiff dated 27 June 2025 will be marked exhibit HPSS176.

EXHIBIT #HPSS176 WITNESS STATEMENT OF JOHN WILLIAM MECKIFF DATED 27/06/2025

PN4970

MR TRACEY: If the Commission pleases, that's the examination-in-chief.

PN4971

JUSTICE HATCHER: Mr Lettau.

*** JOHN WILLIAM MECKIFF

XN MR TRACEY

PN4972

Good morning, Mr Meckiff. Can you hear me clearly?---I can hear you, yes.

PN4973

My name's Mr Lettau. I've got a few questions for you. You were, at the time you gave your evidence, the general manager of pathology collection centres for Healius?---That is correct.

PN4974

In that role, you had responsibility for 4,063 pathology collectors?---That is correct, yes.

PN4975

I assume they are spread out all over the country?---Yeah, in every state and also in regional centres as well.

PN4976

What were your key duties as the general manager of pathology collections?---Look, they were myriad. It was mainly an operational role. My core responsibilities over the period where I was general manager, which was 18 months, was ensuring that our collection centres remained open and viable, ensuring that staff were adequately supported and were adequately trained, implementing new applications for the management of collections in a collection centre, an application which was designed to improve work productivity and provide support for staff to ensure that they're collecting the right tubes and the right amount of blood when they're given a referral. It was also integrating with the business and then implementing some of the strategic objectives of the business across the collection centre environment.

PN4977

Would you accept it was a fairly high level role then in terms of overseeing pathology collections?---It was – not necessarily. I spent a lot of time on the field talking to collectors. That was really critical in my role to be getting sort of 360 degree feedback from collectors and understanding, you know, what it's like working on the ground, and it was particularly important for us to understand when we were designing the new – the system which is called Medway, what tools that we could put in place to improve the functionality and the productivity of the work environment for staff and support services.

*** JOHN WILLIAM MECKIFF

XXN MR LETTAU

PN4978

Have you worked as a pathology collector yourself before?---No, my undergraduate background is physiotherapist, so, you know, I've worked, well many years ago now, as a physio for about 10 years, but then spent the majority of my career over the last 20 years working as a management consultant and general manager in some businesses. So as well as this role at Healius, you know, I ran the procurement function at Healius as the chief procurement officer, and then also, probably going back a decade prior to that, ran an allied health services

business where I was responsible for managing allied health professionals and nurses in the delivery of chronic disease management, self-management services and in-home services.

PN4979

You give some evidence in your statement about, for instance, toxicology tests and paediatric bleeds. Is that evidence based on what's been reported to you by people who actually work as pathology collectors?---What evidence in particular are you referring to?

PN4980

This is an example, but you talk generally about pathology collectors. I'll find where you talk about – see if I can find it. Paragraph 11:

PN4981

More complex tests like toxicology tests and paediatric bleeds are not usually performed...

PN4982

?---Yes.

PN4983

So just evidence in general that you provide in your statement about the complexity, for instance, of tests, is that from what's been reported to you or is that from your first-hand experience?---It's mainly what's been reported to me because, as I've stated, I'm not a trained phlebotomist.

PN4984

JUSTICE HATCHER: Mr Meckiff, just so I understand this, so with these more complex tests, is there some structure whereby persons who need the test have to go to a limited number of centres? Is that the way it works or is there some other system?---That is correct. For those two examples, for toxicology testing, we don't, as a principle, allow those tests to be conducted in a single-staffed collection centre, so we must have more than at least two or more collectors in a centre when we are providing those tests. Paediatric bleeds, particularly under the age of five, are also complex and our preference and policy is to have people who are trained in paediatric bleeds - they specialise in those collections – are working alongside with a second collector to support the arm, particularly with children, who can be quote agitated when they conduct those tests, and it's sometimes difficult to find a vein.

*** JOHN WILLIAM MECKIFF

XXN MR LETTAU

PN4985

So how will the person who has to undergo the test, the patient or client, know which centre to go to in advance? Is there some system to do that?---Yes, we have, on a Google search capability, the ability for people to make both appointments and to also make appointments for specific tests. So patients can search online and see what tests are available at each particular collection centre. Similarly, if a patient does just identify a collection centre and turns up at that centre and they request a specific test, if that test is not available at that

centre, they will be redirected to a collection centre where that test will be available for them.

PN4986

DEPUTY PRESIDENT GRAYSON: Mr Meckiff, you talked about having centres in rural areas. What would happen in a circumstance where somebody was in a remote area of New South Wales, for example, and the only pathology collection centre was single-staffed and they needed a paediatric bleed or a toxicology test? Would they just be sent to neighbouring – well, I don't know whether there would even be neighbouring cities – but what would happen in those circumstances?---Generally speaking, anyone under the age of five, we try to ensure that there is somebody there to support. In a circumstance where there's an emergency, we could request that a doctor or a nurse be present if there is not a second collector present to be able to support that collection activity, but it's really at the discretion of the collector themselves to determine whether or not they would feel comfortable in doing that test.

PN4987

So could they do it on their own if they thought they had to, or what happens then?---If they – most collectors have a fairly clear understanding around what their skills are. If they felt uncomfortable conducting that test, they would elect not to do that test. Now there's also a possibility that they could attempt that test and not be successful and, if that was the case, they would stop doing the test and then refer the patient to another collection centre where that test could be done.

PN4988

All right. So in a single-staffed collection centre, they could do it if they felt they had the skills and felt it was appropriate?---That is correct, yep.

PN4989

Thank you.

PN4990

MR LETTAU: You give evidence as well about the different kinds of centres you have. You break it down into four categories: rooms attached to general medical practice or specialist; independent sites; hospitals, and at the premise of a business, organisation or at a person's home. Do you know approximately how many collection rooms Healix has at all its sites?---We have roughly 1,750.

PN4991

Is that 1,750 sites or rooms?---That's 1,750 sites.

PN4992

Some of those are multi-room sites and some are single-room sites?---That is correct, yep.

PN4993

Do you know approximately the breakdown?---I think it would roughly be a third would be multiple collection centres, but I'm hazarding a guess on that.

*** JOHN WILLIAM MECKIFF

XXN MR LETTAU

PN4994

I went to the website you mentioned a moment ago where you can see the map of all the sites and it shows 1,803 sites. Does that sound about right to you?---Yeah, I said 1,750, but that's probably – that's probably close to the mark.

PN4995

It also allows - as you mentioned, you can filter by different tests and, using the paediatric collection example, it actually gives three categories of paediatric collection: zero to 12 months, one to five years, and then six to 12 years. Are you aware of that?---Yes.

PN4996

When, for instance, one selects six to 12 years to filter, that returns 998 sites. Does that sound right to you?---Yeah, look, I'm not familiar with the actual number, but that should be – that sounds about right, yeah.

PN4997

Which is a bit more than a third. You mentioned a minute ago that about a third of the sites are multi-room sites?---Yeah, but some paediatric bleeds for the five to 12 year olds can be done in single collection room environments.

PN4998

Okay?---If the staff member has been appropriately trained.

PN4999

You say at paragraph 11 of your statement, and this is quoting from your statement:

PN5000

Multi-staffed rooms are also usually busier and more demanding because demand for our services is higher resulting in more Collections being performed per hour (which is why we supply more staff).

*** JOHN WILLIAM MECKIFF

XXN MR LETTAU

PN5001

Would you agree that multi-staffed sites have a higher total volume of patients compared to single-staffed centres simply because there's more collectors there so they can do more tests?---There's lots of – there's lots of factors which drive the volume of patients that go through – go to any collection centre, including population density, competition, et cetera. What we do know is where we've staffed rooms with multiple collectors, demand is higher, so we keep a very, very close look on a daily basis around volume of patients that are attending any particular collection centre, and we try to make sure we optimise the amount of labour in any centre quite dynamically, so we're making changes to that on a weekly basis. To answer your question in terms of the volume of staff, we know that the number of collects per labour hour in a multi-staffed room is 25 per cent higher. That data comes from the full year of 2025 for Healix where – so essentially, an average room probably collects three - a single-staffed collection room does about three collects per labour hour, we know that roughly four will be

conducted in a multi-staffed room per collector, so that's why they're staffed at that level.

PN5002

Would you accept as well that, along with patient volume, there's other factors at work in terms of the pressure that might be on a collector, for example other tasks that need to be done outside of simply taking a collection?---Yeah, there's a whole myriad of tasks that all collectors, irrespective of whether or not they're working in a single-staffed room or a multi-staffed room have to do outside of just collecting blood.

PN5003

In multi-staffed rooms there's the opportunity for pathology collectors to share some of that work?---Well, in a multi-staffed room, basically all the administration that's associated with a collection is still conducted by that individual collector. Where tasks might be shared would be opening the room, you know, and attending – sort of turning up sort of five minutes or 10 minutes prior to the scheduled opening hours, turning on of the lights, you know, ensuring that the equipment is ready for – you know, centrifuges are ready for spinning blood, et cetera, et cetera, but, generally speaking, in a multi-staffed room, all the staff will be responsible for their own patient loads, so the processing of the paperwork, the information that they put into the Medway collections portal in relation to the tests that have been conducted, and then payments, if required, will be processed by an individual collector, so they will not be shared activity.

PN5004

But they can obviously get help from one another if they need to?---Well, they can get help if they need help on a technical basis. So if you've got a collector who's more experienced and is more highly regarded by their peers in a multi-staffed room, they can potentially ask that collector for assistance with a difficult bleed or a technical question, but in a single-staffed room, we provide a whole myriad of tools for staff to be able to access the same level of support. We run a call centre environment for collection support which allows a collector, in real time, to be able to get technical support to potentially be able to fax through a referral. Sometimes a doctor's handwriting, for example, is illegible, or it's ambiguous, and so we would refer that patient to either collection support or sometimes they can also ring the laboratory and speak to a scientist in relation to a test.

PN5005

On top of that, we have also built a significant amount of intellectual property within the Medway tool, so if a collector requires technical assistance on a particular test and they've entered the test into the system, they would be able to click through and then get a very clear understanding around the guidelines of what tubes, what volume of blood, for example, that they may need to take for that individual patient.

*** JOHN WILLIAM MECKIFF

XXN MR LETTAU

PN5006

So whilst we - you know, they can literally knock on a door in a multi-staff collection room to get that information. We do have - we have invested quite considerably in providing that access to support for staff who work in a single-staffed collection centre.

PN5007

MR LETTAU: There is other ways it can be supported when you're in a multi-staff centre. For example, if you have a rush of patients, you can share that rush rather than have to bear it all on your own as in a single-staff centre?---Well, it's happens - yeah, that is true, but by design, you know, a single-staffed room is generally quieter, so, yes, they will have peak periods during the day - in the morning, for example, which generally are the peak periods. It's quite possible that a complex patient will attend a single-staff collection centre room and take quite a considerable amount of time to be processed, which can lead to a backlog, but the collector also has the opportunity to speak to any patients who may be impacted by this and refer them to one of the adjoining collection centres.

PN5008

When we've got 18 hundred collection centres across the country, it's pretty easy for us to load-share and usually I think - there's some statistic. I think any collection centre for Helius we're literally about - in the metro regions, for example, it's probably a seven-minute drive from any one collection centre across the country, so we can load-share and do that if necessary, as well.

PN5009

MR LETTAU: Other things might be, for example - you mentioned a difficult lead, for instance, that you might have an incident - medical emergency, a personal safety issue arise and in a multi-staff centre you've got more support?---That's true. If there is a medical emergency in a single-staffed room, staff are appropriately trained on how to handle that. Obviously in a single-staff room if somebody fainted or there is a medical emergency to attend, that's going to impact all those patients who are waiting. However, in those circumstances we can send additional staff to support the single-staff room where necessary. As the majority of the single-staffed rooms are attached to medical centres or specialist rooms - I would say probably 80 to 90 per cent of those are - then we can also call on support from some of the medical staff to attend to that patient, as well, and to assist the collector.

PN5010

On that topic, you mention at paragraph 5.1 that in these medical practice centres where you have collection rooms, Helius rents a room; is that right?---Yes, that's how it works, yeah.

PN5011

And you say at paragraph 9, as well - and this is just repeating what you just said:

PN5012

The ACC is usually attached to a medical centre where there are doctors, nurses and other healthcare providers who work with them and can provide support...

PN5013

As you just mentioned. Those staff though in these medical centres, they're not employed by Heliuss, I assume?---No.

PN5014

And Heliuss doesn't have any direct control over their availability or their priorities or anything like that?---No, they don't, but there is a high probability that the patient that the collector might be attending to, if there is a medical emergency, would be a patient of that medical centre.

PN5015

The other staff also - they have their own work to do, obviously?---Which other staff are you referring to?

PN5016

When I refer to other staff, I am referring to the examples you gave; GPs, nurses and other medical - other healthcare providers?---Yes, they do. However, you know, in any healthcare environment if there is an emergency, any available labour will down tools and attend to a medical emergency whilst - you know, even if they are conducting a consultation with another patient. The key ingredient here is that they are notified that there is a medical emergency and somebody needs support.

PN5017

No, I accept in the case of a medical emergency it might be slightly different, but I'm speaking more generally at this moment. In your evidence you speak more generally, as well, in that you don't confine it to medical emergencies. You say that those providers work with them that can provide support without qualification, so - I mean, whether assistance is provided by any of these staff is really a matter for them. They may provide help in some instances, they may not be able to provide help in other instances; isn't that right?---Yeah, that is correct, but generally what happens is we like to have continuity of our collectors in all of our rooms. Generally what happens in those environments is the collector will establish a rapport with the staff, you know, whether it's medical professionals or allied health professionals or even the front office staff. They generally develop a rapport and, you know, they get quite significant friendships and psychological and emotional support from those relationships, as well.

PN5018

You know, where we've got, you know, a range of different collectors going through the rooms that haven't had the ability to do that, that may be less the case. However, we do where possible try to ensure that there is continuity of employment within those rooms so that they can establish that rapport, because it also helps with referrals, as well. So once the doctors understand and know the collector, they will be more and more comfortable in terms of referring patients through to that service.

PN5019

MR LETTAU: So, I mean, having good interpersonal skills, like being approachable and calm, and good communication, would be an important skill for a collector, not only in relation to working with patients, but also you just mentioned working in relation to staff within the medical centre?---Yeah, yeah, absolutely, but, you know, they're dealing with patients on a day-to-day basis so we expect all of our staff to have good interpersonal skills.

PN5020

And single-staff collectors might need to rely on those skills a little bit more in terms of building that rapport that you've just described?---Well, yes and no. The single-staff collector can work completely independently of the medical centre if they choose to. You know, it's just that most don't choose to. You know, they, you know, reach out to the staff that they work alongside in those rooms so that there's a collegiate team based atmosphere.

PN5021

At the end of the day, the collector needs to be responsible for their own work without relying on the support of these other staff?---Yes, and that's true for both single-staff rooms and multi-staff rooms.

PN5022

Thank you. I have no further questions.

PN5023

JUSTICE HATCHER: Any re-examination, Mr Tracey?

PN5024

VICE PRESIDENT ASBURY: Before you do, Mr Tracey, sorry.

PN5025

MR TRACEY: Of course, your Honour.

PN5026

VICE PRESIDENT ASBURY: Mr Meckiff, it's Vice President Asbury. Can you hear me?---Yes, I can hear you.

PN5027

I wanted to ask you if any of your collectors go to people's homes to collect - to make a collection?---Yes, they do. They are classified as home - or mobile collectors. They don't work in specific rooms.

PN5028

Okay. So there is a special group of them who do that?---Yes.

PN5029

Do you have any idea of how many were in that group when you were there?---I think - again I'm guessing, but it's probably about 150.

PN5030

Okay. Thanks?---Nationally.

*** JOHN WILLIAM MECKIFF

XXN MR LETTAU

PN5031

DEPUTY PRESIDENT GRAYSON: Mr Meckiff, in relation to that group, do they perform the full range of tests other than paediatric leads and toxicology tests?---It's contingent on what equipment they are carrying, but generally speaking they will be blood tests. They might be collecting a urine sample or doing a nasal swab, but generally speaking they're blood tests because, as I said, it's - the tests that they can provide will be known before they go to that environment and they will ensure they've got the appropriate equipment to be able to conduct that test at the time.

PN5032

So are there any tests that they wouldn't necessarily perform?---Yeah, some of the diagnostic tests, the cardiac diagnostic tests, because they don't carry a Holter, an ECG or maybe an electronic blood pressure monitor with them unless that's specifically required in the referral, then we would probably - we would then provide that equipment to that staff, but they don't routinely carry that equipment in their cars.

PN5033

Right. Just one more question. I'm interested in the rooms that are attached to doctors' surgeries and specialist surgeries. I'm assuming sometimes those rooms could be within the same space and other times they might be accessible by a separate door or something, so in the same building but separately accessed. Is that right in terms of the physical layout?---It's completely contingent on the architecture of the building. Generally speaking they will be in the same rooms, so essentially walk through the front door of a medical centre and then you will not be required to go outside to visit the pathology centre, but I have seen circumstances where it's an aligned or an adjacent building that you have to leave the medical centre and go into a separate door.

PN5034

Thank you, Mr Meckiff.

PN5035

DEPUTY PRESIDENT O'NEILL: Mr Meckiff, just one question from me. In paragraph 15 of your statement you talk about what your data shows about the health and safety risks for different categories of collectors, and the mobile group that we were just talking about seems to be where there is the greatest health and safety risk. Can you just expand on what sort of risks are considered and have arisen in that setting?---Yes, I can draw one some recent experiences. We had - one of our mobile collectors was attacked by a dog when they were entering a premises and bitten by a dog, that required stitches. Sometimes patients can be abusive, particularly patients who have got psychiatric conditions in those environments, but we have a risk protocol that we've implemented and put in place to try and mitigate as much of that risk as we possibly can.

*** JOHN WILLIAM MECKIFF

XXN MR LETTAU

PN5036

So we will speak to the referring doctor and, where possible, to family, to conduct a risk assessment of the environment that's likely to - the collector is likely to face

when they arrive at those premises. If we believe that there is a perceived risk, we may elect not to do that test or we may send a second collector to assist the collector in conducting that test.

PN5037

DEPUTY PRESIDENT O'NEILL: Thank you.

PN5038

JUSTICE HATCHER: Mr Lettau, did you want to ask anything arising out of that?

PN5039

MR LETTAU: No.

PN5040

JUSTICE HATCHER: Mr Tracey.

PN5041

MR TRACEY: Just very briefly, if I may, your Honour.

RE-EXAMINATION BY MR TRACEY

[11.41 AM]

PN5042

In an answer to Mr Lettau, Mr Meckiff, you say that, 'We can send additional staff to a single-staff room.' Do you recall giving that evidence?---Yes.

PN5043

I just wanted to clarify, the additional staff you're sending, do you mean pathology collectors in that regard?---Correct, yes.

PN5044

Could you just explain to the Commission in what circumstances you would send such additional staff to the single-staff room?---The example that I used in my evidence was where a collector has been or is having to go off and attend to a patient in a medical emergency and we are concerned about the amount of patients that we might have sitting in a waiting room, so we would look at trying to get a reliever into that room to assist with that collector to get through that period of time.

PN5045

We also do have occasions where we have a second collector in a single-staffed room. Now, the reason for that is where that room starts to become very busy - for example, we know a collector can comfortably manage around four collects per hour. If that level starts to exceed to five or six collects per hour for any particular time during the day, we may send a second collector into the room to support with some of the administrative tasks.

*** JOHN WILLIAM MECKIFF

RXN MR TRACEY

PN5046

By that, I mean if the patient - or the room is really busy, we're constrained with only being able to do tests in one room, we may send a second collector in there to

help with the administrative tasks which would improve the turnaround time probably by about 20 to 25 per cent. So you could have one staff doing a bleed and other tests, and other staff doing all of the administrative functions, so, you know, loading the tests into the Medway system and then taking payments at the end, et cetera, so that would be one example.

PN5047

We do have other examples where sometimes we'll have a junior collector who is in training going to a single-staff room to work with an experienced collector. We ideally like to do that in multi-staff rooms, but sometimes we're constrained geographically by that so we might have a new collector who is in training going to observe or be supervised by an experienced collector in a single-staff room.

PN5048

MR TRACEY: Thanks, Mr Meckiff. That's the re-examination.

PN5049

JUSTICE HATCHER: Thank you for your evidence, Mr Meckiff. You're excused, which means you can disconnect from the call?---Thank you.

<THE WITNESS WITHDREW

[11.44 AM]

PN5050

JUSTICE HATCHER: Is Mr Houston available now?

PN5051

MS BURKE: Yes, your Honour.

PN5052

JUSTICE HATCHER: Sorry, yes.

PN5053

MS BURKE: I believe he's in the waiting room.

PN5054

JUSTICE HATCHER: Yes. All right. We will get Mr Houston in. I think it's easier to swear him in again, please.

PN5055

MS BURKE: Yes, your Honour. As my learned friend pointed out, as I understand it the cross-examination goes to confidential information that was provided - - -

PN5056

JUSTICE HATCHER: Yes.

PN5057

MS BURKE: So I do ask that the other parties leave - - -

*** JOHN WILLIAM MECKIFF

RXN MR TRACEY

PN5058

JUSTICE HATCHER: That's the same direction as yesterday, is it?

PN5059

MS BURKE: Yes.

PN5060

MR TRACEY: May we be excused, your Honour, for the rest of today, on that basis?

PN5061

JUSTICE HATCHER: If you want to take that risk, yes. So this is for the whole of the cross-examination, is it?

PN5062

SPEAKER: Yes.

PN5063

JUSTICE HATCHER: All right. Well, I direct all parties other than those associated with the ACTU in Australian Diagnostic Imaging Association to leave the courtroom, please, and this part of the transcript will be confidential.

PN5064

SPEAKER: Thank you, your Honour.

PN5065

MS LEONCIO: Your Honour, just to be clear, as well - I am counsel for Healthscope - I also ask to be excused.

PN5066

JUSTICE HATCHER: Yes, you're excused.

PN5067

MS LEONCIO: Thank you.

PN5068

JUSTICE HATCHER: And any parties on Teams who are disconnecting now are excused if they wish to be excused.

PN5069

MS DOWSETT: I also seek to be excused.

PN5070

JUSTICE HATCHER: Yes. All right. Thank you, Ms Dowsett. Can we get Mr Houston back in and swear him in again, please.

CONFIDENTIAL TRANSCRIPT FROM PARAGRAPH 5071-5157

PN5158

JUSTICE HATCHER: So that's all the evidence?

PN5159

MS BURKE: Yes, it is, your Honour.

PN5160

JUSTICE HATCHER: Nothing else we can assist you with today? Otherwise, we will adjourn and we will see you all next week.

ADJOURNED INDEFINITELY

[12.06 PM]

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