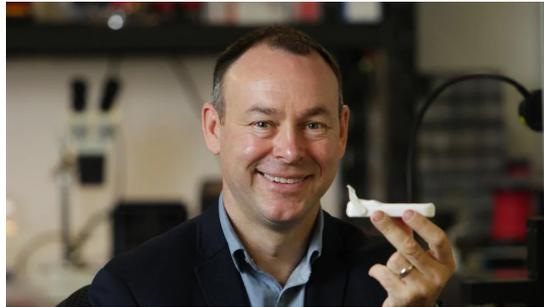


BUSINESS

Australia in the slow lane over Covid-19 testing

In one weekend late last year, a small European country was able to test 3.6 million people for Covid-19 and isolate those with a positive result.

JARED LYNCH, The Australian Business Network  Subscriber only | August 5, 2021 7:52pm



 Atomo chief executive John Kelly says pathology providers have had greater sway with the Australian government over Covid-19 testing. Picture: Hollie Adams

In one weekend late last year, a small European country was able to test 3.6 million people – the majority of its adult population – for Covid-19 and isolate those with a positive result.

It was a phenomenal feat, given coronavirus outbreaks are continuing to outpace health authorities across Australia’s east coast, with Sydney remaining in lockdown for the foreseeable future, Melbourne entering its sixth lockdown and Queensland teetering on a widespread outbreak of the highly infectious Delta variant.

But Slovakia found a way: rapid testing.

Rapid antigen tests can detect Covid-19 in as little as 10 minutes and it is something that has spurred the Australian government to finally have its “aha moment”.

The irony is that two Australian companies have developed rapid Covid tests. But instead of being used to help catapult the country back to some kind of normality, they have been sent overseas to the US, Europe and elsewhere.

Why? It appears self-interest has got in the way of homegrown tech being deployed to isolate those with Covid-19 in Australian communities, according to one rapid test firm.

“The groups that advise the government on diagnostic use in public health, they’re not called diagnostics NSW, they’re called Pathology NSW, right. I think that talks to the stakeholders,” said John Kelly, chief executive of listed rapid-test maker Atomo.

“And the problem is exacerbated by the fact that to get a product accepted in the state healthcare systems it really needs to be reimbursed. [It’s been extremely difficult, nigh impossible, for point-of-care diagnostics to get reimbursement in Australia](#), which means their use is severely limited, because they’re not reimbursed under the public system.”

Instead, up until now the Australian and state governments have relied on Covid-19 tests being sent to laboratories that can take up to three days to deliver a result.

This has led to the virus outpacing contact tracers. In one case in Sydney it took up to four days to notify people that they had been exposed to a tier-one site, which carries the highest risk of becoming infected.

Pathology testing is also more expensive than a point-of-care test, which a GP, pharmacist, or nurse can administer.

“It’s a much greater cost. You could probably do five or six for the cost of one,” said Mr Kelly.

ASX-listed pathology providers such as Healius and Sonic Healthcare have benefited from Covid-19 testing. In the six months to December 31, Healius’s revenue rose 22 per cent to \$711.4m, with the company saying the leap was “was largely driven by robust Covid-19 testing volumes”.



 Sonic Healthcare's Colin Goldschmidt.

It said it completed more than 1.6 million Covid-19 tests conducted during the half, including more than 800,000 in Victoria.

“This more than offset the impact of lockdowns on traditional areas of pathology demand, including restrictions on elective surgery, particularly in Victoria,” Healius said in its latest financial results in February.

Meanwhile, Sonic’s revenue surged 33 per cent to \$4.4bn in the same period. Underlining how much Covid testing contributed to the result, the company said if it was excluded, global base business revenue would have been down 1 per cent.

“Sonic’s strong financial results for the half year reflect the millions of Covid-19 PCR tests we have performed across our countries of operation as part of combating the pandemic,” chief executive Colin Goldschmidt said in February.

While rapid Covid testing delivers results within minutes, it is not viewed as a replacement but rather complementary to vaccinations, given there will still be a need to detect and isolate those with the virus – even when most of the population is immunised.

In Australia, there are two companies that are making rapid tests – Atomo and [Ellume](#) – and it is understood the federal and various state governments are exploring how to incorporate the speedy diagnostic platform as it grapples with the country’s biggest city remaining in lockdown for the foreseeable future.

But some sections of the community are not waiting for a government policy change.

Already, Atomo has supplied rapid tests to the Australian Olympic swimming, sailing, surfing and softball teams, and aged care providers including Southern Cross Care, Australian Unity, Mecwacare, Assisi, Signature Care, Tall Woods Aged Care and Hunter Valley Care Group.

It is also supplying the Australian Defence Force and mining and oil companies which rely on fly-in-fly-out workers.

“The reality is, however, that it’s been well established overseas that regular antigen testing is a low-cost and very effective way to screen asymptomatic people and manage risk because outbreaks are contained because people are protected very quickly,” Mr Kelly said.

“As the Delta variant has exploded in Australia and as the use of these tests has been validated overseas their (governments) sort of rationale for not adopting these tests has become unsustainable.

“That’s why we’re now seeing, you know, both federal and state governments to some degree, talking about the need to, if not adopt rapid testing at least start to evaluate them in a manner that is consistent with how they’re used overseas.”

Originally published as [Australia’s own rapid virus tests ‘sent overseas’](#)