

# TOGETHER WITH CONSUMERS



ANNUAL REPORT 2021



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# About NPS MedicineWise

## Who we are

We are an independent, not-for-profit, evidence-based, consumer-centred Australian organisation.

## Our mission

Improve health through safe and wise use of medicines and other health technologies.

## Our vision

Improve the health of Australians.

## What we do

We add value as the **steward of quality use of medicines**: promoting safe and wise use of medicines; bridging gaps between evidence and practice; and enabling better decisions.

## We aim to:

- ▶ Improve the use of medicines and other health technologies to optimise health outcomes for Australians
- ▶ Improve health literacy of Australians
- ▶ Reduce misuse of medicines and other health technologies
- ▶ Improve the sustainability of the Pharmaceutical Benefits Scheme and Medicare Benefits Scheme.

## Our focus over the next year is to:

- ▶ **Improve health outcomes for Australians**
- ▶ **Be a sustainable, high impact organisation.**



### 1. Drive

strong national stewardship of quality use of medicines



### 2. Target

quality use of medicines where the need or opportunity is greatest



### 3. Optimise

the use of health insights



### 4. Improve

our accountability, effectiveness and efficiency



### 5. Strengthen

our financial sustainability

# Message from the Chair

## Dr Andrew Knight



This year public health has been at the centre of Australia's attention, and up-to-date, evidence-based information on the quality use of medicines (QUM) has been more important than ever. The coming year will also be one of constant change and opportunity for NPS MedicineWise as we continue to create impact where the need is greatest. The coming year brings us a new CEO Katherine

Burchfield, and a review of the National Medicines Policy – a national health policy that saw the creation of NPS MedicineWise over 20 years ago.

Over the past year, through pandemics and lockdowns, NPS MedicineWise has continued to deliver on our mission. We have continued to provide our unique, bedrock support to GPs in their evidence-based care of the people of Australia. We have continued to supply the health system with the research quality primary care data through our flagship MedicineInsight program. We have achieved great success in new areas. For example, we have led a consortium of medical colleges and organisations to support specialists with the safe and wise use of bDMARDs and other specialised medicines – medicines which involve significant investment from the healthcare system. NPS MedicineWise has extended its reach to residential aged care facilities to reduce unnecessary use of antipsychotics and benzodiazepines for people with dementia. NPS MedicineWise will continue to build and diversify our contribution through direct delivery and with our partners into identified priority settings and areas.

We incorporate consumers into everything we do, working with the Consumers Health Forum (CHF) and the Consumer Advisory Group to

guide best practice. Building consumer health literacy is a strong focus for the organisation with a new set of QUM health literacy indicators providing us with a yard stick to measure progress. The organisation's Health Literacy Implementation Strategy gives us a way forward to meaningfully improve awareness of QUM and health literacy for Australians.

The National Medicines Policy was launched 20 years ago to optimise health outcomes for Australians through a collaborative partnership with key stakeholders. It is being updated over the next 12 months to reflect substantial changes in our society and the healthcare environment. We look forward to supporting the QUM objectives of the refreshed National Medicines Policy and continuing our systems-based approach to building stewardship of QUM across Australia. We will strengthen and grow our partnerships across the sector, undertaking collaborative efforts to drive quality use of medicines nationally.

I'd like to take a moment to acknowledge the extraordinary contribution Steve Morris has made as CEO. Steve left NPS MedicineWise in July this year to take up a new position in his home state of South Australia. In his three years at the helm, he has led the transformation of the company as we responded to the challenge of change, enhanced our core services and

*“We incorporate consumers into everything we do, working with the Consumers Health Forum (CHF) and the Consumer Advisory Group to guide best practice.”*

extended our reach to include new programs with specialists and in critical areas such as aged care. He has strengthened our focus on consumers as essential to the work of the organisation and developed our collaborative work with stakeholders to amplify the impact of our programs. We at NPS MedicineWise say a big thank you to Steve and wish him all the best for his new role.

I would also like to acknowledge and welcome three new directors: Amandeep Hansra, Rob Fitzpatrick and Mark Booth. We have a refreshed and energetic board which I believe is fit for the exciting opportunities ahead.

I am very proud of the achievements we have made over the last year. I thank the dedicated, talented and passionate staff at NPS MedicineWise for their hard work. They continue to deliver quality resources for a pandemic world where evidence-based quality information is so important. We look forward to an exciting year in which NPS MedicineWise will continue to advance the quality use of medicines in Australia under a refreshed National Medicines Policy and a new CEO.

# Message from the outgoing CEO

## Adj A/Prof Steve Morris



As I step down from my role as NPS MedicineWise CEO in July 2021, I'd like to take the opportunity to acknowledge stakeholders across the health landscape for their willingness to work together towards common quality use of medicine goals. This has been another year with many uncertainties, but also many opportunities to put individual interests aside and work together to achieve better health outcomes for Australians.

In nearly three years at the helm of NPS MedicineWise I have been impressed by the enthusiasm of people from all parts of the health sector to engage in and support the work we have been doing to improve quality use of medicines, and this has been the most satisfying aspect of my time with the organisation.

NPS MedicineWise exists to support better health outcomes for consumers, and I am proud to have been part of an increased focus on consumers, putting them firmly at the centre of our thinking when it comes to developing our programs.

Working with agencies such as the Australian Commission for Safety and Quality in Health Care and collaborating with stakeholders such as the Consumers Health Forum, the Heart Foundation, NACCHO, the Pharmaceutical Society of Australia, the Society of Hospital Pharmacists, the RACGP and PHNs around Australia has been a highlight of the past few years. This has allowed us to increase our reach, amplify impact and minimise potential duplication.

Through our recent national education program on Dementia and changed behaviours: a person-centred approach, and our work supporting safe

medicines use during the COVID-19 pandemic, it has become clearer than ever that any changes made to health systems including those impacting the quality use of medicines need to be firmly focused first on benefiting the patient, rather than benefiting health professionals, funders and providers in the system.

Earlier in 2021 we welcomed the publication of the Final Report of the Royal Commission into Aged Care Quality and Safety as an opportunity to talk about many of the issues facing the aged care sector, in particular the ongoing need to improve quality use of medicines. NPS MedicineWise will look to continue to work with the sector to improve quality use of medicines in aged care.

Further, the COVID-19 pandemic has given all of us in the health sector the opportunity to demonstrate the impact of having a can-do attitude and to create positive change in the health system. The newfound public interest in, and respect for, evidence and its role in decision making has allowed NPS MedicineWise to further enhance the role we play in providing evidence-based information for health professionals and consumers. The NPS MedicineWise Adverse Medicines Events Line, a trusted national pharmacovigilance service, has been strengthened to support the COVID-19 vaccine rollout, submitting reports of adverse reactions to COVID-19 vaccines to the Therapeutic Goods Administration.

I'm pleased to be leaving NPS MedicineWise in a position to continue and enhance its unique and impactful role in the Australian health system, and to continue to support quality use of medicines across all settings in Australia. I am truly grateful for the support shown to me and to the cause of improving quality use of medicines by our member organisations and other key stakeholders from the health sector, and by the committed and dedicated staff at NPS MedicineWise during my time as CEO.



# Highlights from 2020–21

## Health professional reach

- ▶ Educational visits in primary care: **19,911**
- ▶ Clinical e-Audits completed: **498**
- ▶ Pharmacy Practice Reviews completed: **3,157**
- ▶ Webinar attendees: **6,103**
- ▶ Other online learning modules completed: **133,208**
- ▶ Proportion of medical schools using National Prescribing Curriculum: **95%**
- ▶ Reach via our email newsletters: **113,115** average per newsletter
- ▶ Australian Prescriber subscribers: **87,803**
- ▶ Australian Prescriber podcast episode downloads: **16,191**

*\*These figures include combined reach through Department of Health funded programs and other programs.*

## Engaging with consumers

- ▶ Total NPS MedicineWise website visits: **31,923,650**
- ▶ Calls to Medicines Line, Adverse Medicine Events (AME) Line including calls regarding adverse events to COVID-19 vaccines: **10,403**
- ▶ Average number of active sessions on the MedicineWise app each month: **56,177**





## MedicineInsight providing a unique insight into general practice

- ▶ Participating general practices: **~700**
- ▶ Practice visits: **609**
- ▶ Regular patients: **~3.3 million**

## Choosing Wisely Australia

- ▶ Health professional colleges, societies, associations as Choosing Wisely member organisations: **47**
- ▶ Percentage of Australian medical colleges who are members of Choosing Wisely: **93%**



# Publications

## Journal publications

A number of publications in respected journals this year documented our contribution to quality use of medicines in Australia.

Busingye D, Chidwick K, Simpson V, Dartnell J, J Dore G, Balcomb A, Blogg S.

### **The changing characteristics of patients with chronic hepatitis C prescribed direct acting antiviral medicines in general practice since listing of the medicines on the Australian Pharmaceutical Benefits Scheme**

JGH Open. 2021 Jun 18;5(7):813–819. doi: 10.1002/jgh3.12593. PMID: 34263077; PMCID: PMC8264235

Schaffer AL, Busingye D, Chidwick K, Brett J, Blogg S.

### **Pregabalin prescribing patterns in Australian general practice, 2012–2018: a cross-sectional study**

BJGP Open. 2021 Feb 23;5(1) bjgpopen20X101120. doi: 10.3399/bjgpopen20X101120. PMID: 33172853; PMCID: PMC7960512.

Havard A, Manski-Nankervis JA, Thistlethwaite J, Daniels B, Myton R, Tu K, Chidwick K.

### **Validity of algorithms for identifying five chronic conditions in MedicinesInsight, an Australian national general practice database**

BMC Health Serv Res. 2021 Jun 5;21(1):551. doi: 10.1186/s12913-021-06593-z. PMID: 34090424; PMCID: PMC8178900. bmchealthservres.biomedcentral.com/articles/10.1186/s12913-021-06593-z

Busingye D, Pollack A, Chidwick, K.

### **Prevalence of inflammatory bowel disease in the Australian general practice population: A cross-sectional study**

PLoS One, 2021 May 27;16(5):e0252458. doi: 10.1371/journal.pone.0252458 PMID: 3404730

Costa J, Gianacas C, Beard F, Gonzalez-Chica D, Chidwick K, Osman R, MacIntyre CR, Havard A.

### **Cumulative annual coverage of meningococcal B vaccination in Australian general practice for three at-risk groups, 2014 to 2019**

Hum Vaccin Immunother. 2021 May 28;1-10 doi: 10.1080/21645515.2021.1923349. Online ahead of print. PMID: 3404673

Chidwick K, Busingye D, Pollack A, Osman R, Yoo J, Blogg S, Rubel D, Smith S,

### **Prevalence, incidence and management of atopic dermatitis in Australian general practice using routinely collected data from MedicinesInsight**

Australasian J Dermatol 2020 Aug;61(3):e319-e327. Epub 2020 Mar 15 PMID: 32173859 PMCID: PMC7496939 DOI: 10.1111/ajd.13268

Hains I, Raffoul N, Yoo J.

### **Evaluation of academic detailing visits on GP knowledge and practice for statin use and management**

Aust J Primary Health 2020 Dec;26(6):492-499. PMID: 33004108

DOI: 10.1071/PY20062

Marson A, Raffoul N, Osman R, Deed G.

### **Management of patients with type 2 diabetes and cardiovascular disease in primary care**

Aust J Gen Pract 2021 Apr;50(4):238-245. PMID: 33786549

DOI: 10.31128/AJGP-02-20-5222

Morris S.

### **Building momentum in quality use of medicines in times of crisis**

J Pharm Pract Res, 2020 August; 50(4):291-292.

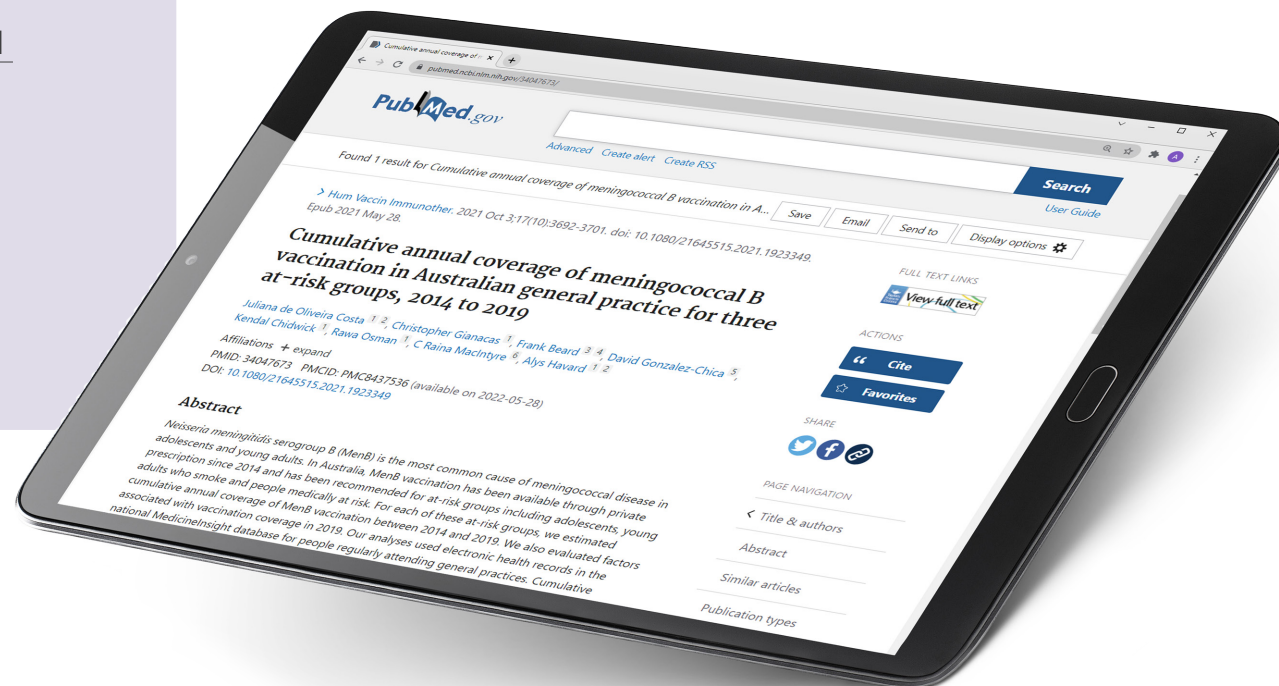
<https://doi.org/10.1002/jppr.1679>

## **Economic evaluation reports**

We undertake economic evaluation of our programs, and in 2020-21 published

### **Blood pressure: measure, manage and monitor (2015)**

Additional economic evaluation reports are available on our [website](#).



# Together with consumers

With consumers at the centre of Australia's National Medicines Policy, this year NPS MedicineWise continued to demonstrate our commitment to ensuring that improving patient health outcomes is front and centre when designing our products and services.

We collaborate with consumers and consumer organisations in the design and development of our programs to amplify our collective impact and reduce unnecessary duplication, and this focus will continue as we go forward.

The NPS MedicineWise Consumer Engagement Plan was approved by the board in November 2019. Since this time, the organisation has continued to lay a strong foundation for consumer engagement.

The relationships with Consumers Health Forum of Australia (CHF) and other consumer and community organisations have gone from strength to strength and the Consumer Advisory Group has been pivotal in guiding best practice and keeping us honest in our pledge to genuinely engage with consumers, communities and stakeholders.

Building consumer Health Literacy continues to be a strong focus for the organisation. A new set of health literacy indicators as it relates to QUM provides us with a yard stick to measure progress. Together with the organisations Health Literacy Implementation Strategy, this gives us a way forward to meaningfully improve awareness of QUM and health literacy for Australians.



# Resources and information for consumers

During 2020–21, resources, information and campaigns for consumers were delivered through multiple platforms, including:

- ▶ Online and telephone support for people with questions about safe and effective medicines use via our Medicines Line service and 'Ask a Pharmacist' chat on Facebook.
- ▶ Telephone service for people to report and discuss adverse experiences with medicines via our Adverse Medicine Events (AME) Line service. This year it has been expanded to support the COVID-19 vaccine rollout, submitting reports of adverse reactions to COVID-19 vaccines to the Therapeutic Goods Administration.
- ▶ Information resources for consumers through our national education programs, including an action plan to support people with heart failure manage their condition, fact sheets on heart failure and on medicines and dementia, and a video giving insights for consumers and health professionals about what it is like living with dementia.
- ▶ Consumer-friendly articles on current and topical issues such as understanding why clinical trials are important and understanding why medicines will now be prescribed by active ingredient. The consumer resources around active ingredients support an important new policy change, with information explaining the changes provided in English and 10 additional languages.
- ▶ Sharing a range of messages for consumers through social media, with particular emphasis on engaging, shareable video content for Facebook and Twitter.
- ▶ Ensuring consumers can access our messages in multiple ways by proactively sharing content through editorial media and syndication partnerships to amplify our messages across print, online, television and radio using accessible, interesting language and messages.
- ▶ Supporting shared decision-making by promoting the Choosing Wisely '5 questions to ask' resources.
- ▶ Supporting the safe use of medicines with the MedicineWise app for people who take medicines and their carers. Between July 2020 and June 2021, the number of users of the MedicineWise app and the number of active users both increased by 30%. Users of the app were able to view health and medicines related content and keep their medicines list updated.
- ▶ Working and consulting with partner consumer organisations to support their communities through access to evidence-based information about medicines and medical tests.

# Together with health professionals: quality use of medicines and medical tests in practice

## National education programs

NPS MedicineWise launched several new national education programs during the year supported by funding from the Australian Government Department of Health through the Quality Use of Diagnostics, Therapeutics and Pathology Program to improve the way medicines and medical tests are prescribed and used.

These multifaceted programs reached an audience of tens of thousands, including GPs, pharmacists and consumers through educational initiatives, tools and resources.

Stakeholders are engaged and consulted for each program, with consumers, clinicians and organisations involved in the co-design of the program messages and content. Programs are also delivered in partnership with organisations where appropriate, to increase reach and impact and reduce duplication across the sector.

### Dementia and changed behaviours: a person-centred approach

A person-centred approach in caring for people living with dementia and changed behaviours relies on comprehensive assessment and a multidisciplinary approach that includes the person and their carers. This educational visiting program was developed in consultation with key

stakeholders in aged care including the Australian Commission on Safety and Quality in Health Care and the Aged Care Division of the Australian Government Department of Health. It aimed to highlight the importance of non-pharmacological options as first line treatment and throughout a person's journey with changed behaviours associated with dementia both in the community and aged care settings.

The program included training for nurse 'champions' and pharmacists in 1,000 residential aged care facilities across the country on best practice, person-centred care for people with dementia. It also provided tools and resources, including webinars, podcasts, an algorithm to support the review and tapering of antipsychotic medicines for health professionals, and information resources for consumers.



## Heart failure: taking an active role

Early diagnosis of heart failure and effective management keeps people out of hospital and helps them live better, longer lives. This educational program, developed with the National Heart Foundation of Australia, aimed to improve health outcomes for people with heart failure (reducing preventable hospitalisations and mortality and improving quality of life) through improving consumer empowerment and health literacy and use of evidence-based guidelines for diagnosing and managing heart failure in primary care.

The program included tools and information for health professionals and consumers, including videos and web-based information resources for consumers and health professionals, a fact sheet and an action plan for consumers, and webinars and educational visits for health professionals.



## Upcoming national programs

Older Australians are more likely to be prescribed multiple medicines, some of which may have anticholinergic effects and contribute to cumulative anticholinergic burden, which has the potential to cause harm. Anticholinergic burden has been associated with increased risk of cognitive decline, delirium, dementia, falls, fractures and death. A new program will aim to increase health professional knowledge of medicines with anticholinergic effects and reduce their inappropriate use, reduce medicine-

related harms and hospital admissions for older people and increase the level of consumer health literacy related to quality use of anticholinergic medicines, including potential benefits and harms.

An educational program on psychotropic medicines and young people will work to improve the quality use of psychotropic medicines and non-medicine options for people aged 16–24 years who present in primary care with psychological distress, depression and/or anxiety disorders.

The educational program Opioids, chronic pain and the bigger picture, launched in the previous financial year, continued into 2020–21. Further work around opioids was planned in 2020–21 and will be delivered in the coming financial year.

## Impact of previous programs

Formal evaluation of previous national education programs on Anxiety: rethinking the options and Opioids and the bigger picture when treating chronic pain found improved GP knowledge and behaviour, in line with key messages and evidence-based practice, as a result of these programs.

The 2019 program Anxiety: rethinking the options prompted an increase in GP knowledge on the role of exposure therapy in the management of anxiety (+15%), the efficacy of online Cognitive Behavioural Therapy (CBT) programs (+31%) and that CBT is the recommended psychological treatment for anxiety disorders (+7%).

The 2019 Opioids and the bigger picture when treating chronic pain program aimed to improve quality use of opioids and reduce harms for Australians with pain who are managed in primary care. Following participation in the program GPs were more likely to use non-pharmacological and non-opioid treatments first-line in patients with chronic non-cancer pain. It also saw an increase in GP confidence in identifying patients that may be at risk of harm from opioids (+25%), as well as communicating with patients about an opioid initiation plan (+25%) and tapering their opioid (+18%).

## Together with Aboriginal and Torres Strait Islander communities

### Good Medicine Better Health

While in 2020–21 NPS MedicineWise has reinvigorated the Good Medicine Better Health (GMBH) program to an online format, its purpose to build skills around the quality and safe use of medicines in Aboriginal and Torres Strait Islander communities across Australia has remained the same. Under the guidance of an advisory group representing National Aboriginal Community Controlled Health Organisation (NACCHO), National Association of Aboriginal and Torres Strait Islander Health Workers and Practitioners (NAATSIHWP), Aboriginal Medical Services Alliance Northern Territory (AMSANT), Lowitja Institute and Aboriginal Health Council of Western Australia (AHCWA), we have developed online modules to provide CPD-accredited education for Aboriginal and Torres Strait Islander health workers and health practitioners. The GMBH modules have been co-designed and developed with key Aboriginal and Torres Strait Islander health organisations, national peak bodies and end users. Module topics include asthma, diabetes, high blood pressure, quality use of medicines, antibiotics and respiratory tract infections, and anxiety and depression.

Key partnerships have been established with Aboriginal and Torres Strait Islander organisations, Primary Health Networks and state-based Aboriginal Community Controlled Health Services to facilitate the delivery and uptake of this program.



**Good Medicine  
Better Health**

## Refreshed Prescribing Competencies Framework

NPS MedicineWise, in extensive consultation with key stakeholders in the sector, has led a project to review and refresh the Prescribing Competencies Framework (PCF), first created in 2012. The PCF details the practice expectations for Australian prescribers, including the knowledge, skills and attitudes required to safely and effectively prescribe medicines.

Since the publication of the original Framework in 2012, prescribing rights have been extended to new professional groups. The review of the framework was driven by a need to ensure the competencies continue to uphold patient safety and quality use of medicines and is of interest to anyone involved in prescribing, whether regulators or accreditation bodies, governance boards, educators and education providers.



NPS MedicineWise worked with Queensland University of Technology (QUT) and an Expert Reference Group, including representatives of regulatory, accreditation and consumer organisations, to undertake a review and refresh to ensure it remains relevant to all stakeholders. The Framework refresh has ensured the document is contemporary, relevant and fit for purpose in our changing health environment in order to continue to support quality prescribing decisions by all prescribers.



The refresh has ensured the Framework is focused on the aspects of practice considered most important to the prescribing process, while recognising that professionalism and generic competencies expected of prescribers must underpin all aspects of care. The Framework now has a stronger patient-centred approach and a greater emphasis on prescribing-specific competencies.

## Supporting best practice in prescriptions

On 1 February 2021, inclusion of the active ingredient became mandatory for all Pharmaceutical Benefits Scheme (PBS) and Repatriation Schedule of Pharmaceutical Benefits (RPBS) prescriptions with a small number of exceptions. NPS MedicineWise worked with the Australian Government Department of Health to produce health professional and consumer resources to support this change. The resources included information documents for prescribers and for pharmacists, and web content and a factsheet available in English and 10 additional languages for consumer audiences.

NPS MedicineWise is also supporting the Department of Health on the rollout of a separate initiative on electronic prescribing, introduced to provide a safe and secure alternative choice to paper prescriptions.

## Out of pocket transparency

During 2020–21 NPS MedicineWise was contracted by the Australian Government Department of Health to further support the Out of Pocket Costs Transparency initiative. Using our strong technical writing and health information expertise we developed information and resources to improve transparency and consumer understanding of the out-of-pocket costs associated with many common specialist procedures.



# Our activities and resources

Our suite of program activities and resources is designed to inform decisions about medicines and medical tests and to improve patient outcomes. We match appropriate activities from this suite to the underlying drivers of behaviour as determined during our design process. Activities are free of charge and most are accredited for Continuing Professional Development for health professionals. We also offer our free educational visiting service virtually via video call across Australia so health professionals can participate in these evidence-based educational activities without a face-to-face appointment.

## Tools and resources for consumers

- ▶ [Patient resources, news and content](#)
- ▶ [MedicineWise app](#)
- ▶ [Choosing Wisely Australia – 5 Questions](#)
- ▶ [Medicines Line](#) and the [Adverse Medicine Events Line](#) (AME) including calls regarding adverse events to COVID-19 vaccines
- ▶ [Medicine Finder to provide access to Consumer Medicine Information \(CMI\)](#)

## Activities for GPs

- ▶ [One-on-one-educational visits](#)
- ▶ [PBS/MBS Practice Reviews](#)

## Activities for whole-of-practice teams

- ▶ [MedicineInsight visits](#)
- ▶ [Small group meetings](#)
- ▶ [Quality improvement in general practice](#)



## Activities for all health professionals

- ▶ [Webinars](#)
- ▶ [Clinical case studies](#)
- ▶ [Online courses](#)

## Activities for Aboriginal health workers and practitioners\*

- ▶ [Online courses](#)

\* and other health professionals working in Aboriginal Community Controlled Health Organisations

## Activities for medical and pharmacy students

- ▶ [National Prescribing Curriculum modules](#)

## Publications, programs and clinical resources

- ▶ [Australian Prescriber](#)
- ▶ [RADAR](#)
- ▶ [Medicinewise News](#)
- ▶ [Clinical algorithms and tools](#)
- ▶ [Clinical news articles and information](#)
- ▶ [Podcasts](#)
- ▶ [Medicine Finder, now including Product Information \(PI\)](#)



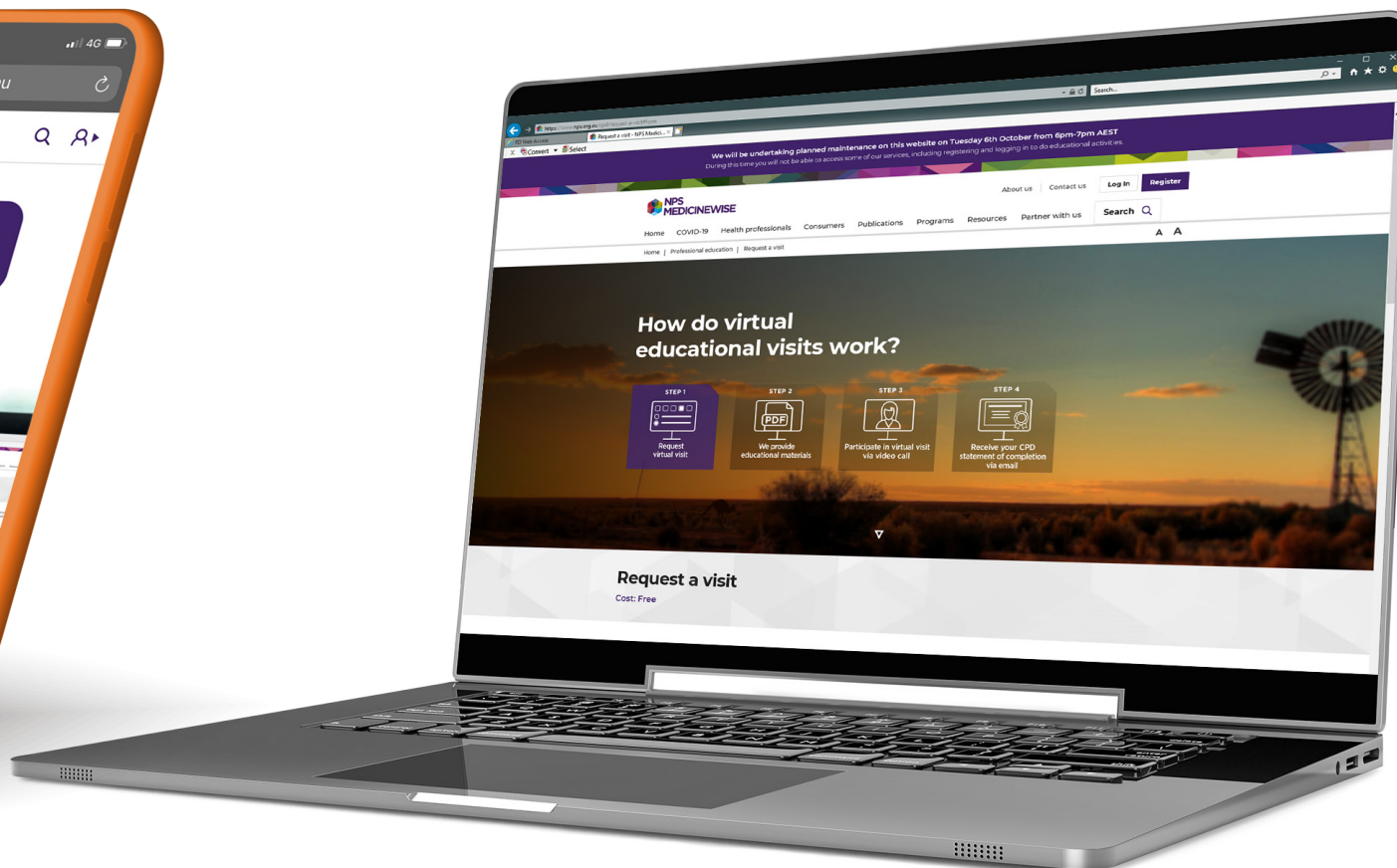
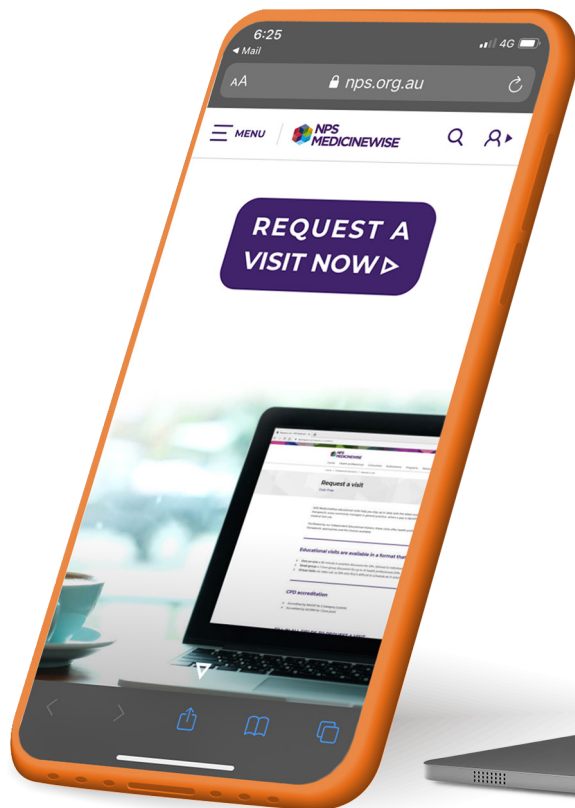
## EXPERIENCE EDUCATIONAL VISITS...



## ...VIRTUALLY ANYWHERE

NPS MedicineWise knows it's not always easy to fit educational visits into your busy schedule. But there's no need to miss out.

They now offer you the option to participate in their independent, evidence-based educational visits virtually - at a time and place that's convenient for you.



# Choosing Wisely Australia®

Choosing Wisely Australia is part of a global movement to address low-value and unnecessary healthcare practices. Facilitated by NPS MedicineWise, it brings together a network of health professional colleges, societies and associations; health services; and consumer partners who are committed to supporting care that is evidence-based, not duplicative, free from harm and truly necessary.

## Choosing Wisely initiatives and resources showing impact

A growing network of Champion Health Services are implementing Choosing Wisely recommendations and principles across Australia. Tasmanian Health Service has joined as our first state-wide organisation to implement Choosing Wisely. Champion Health Services have reported 362 local implementation activities to date, demonstrating reduced utilisation of medicines, pathology testing and radiology, resulting in cost savings and avoiding patient discomfort and risk of adverse effects. For example, the Royal Children's Hospital reduced rates of chest X-rays and bronchodilator use by over 50% in their hospital setting. The Sunshine Coast Hospital and Health Service reduced the oversupply of opioids at hospital discharge. Where previously many patients were discharged with 20 tablets, significantly more patients are now discharged with oxycodone scripts for 10 tablets or less.

The 2021 Choosing Wisely National Meeting, which focussed on consumer empowerment, showcased local solutions and initiatives to embed shared decision-making. Choosing Wisely projects were also showcased at monthly Champion Health Services webinars.

The Choosing Wisely 5 Questions to ask your doctor continues to be a popular resource. The resource has been adapted for multiple conditions to support consumers in their conversations with their healthcare provider, including for heart failure, dementia and opioids for back pain and osteoarthritis.

Choosing Wisely initiatives have made an impact, with a survey conducted by Champion Health Services identifying a 12% increase in the proportion of consumers who agree that having an unnecessary medical test may be harmful. Champion Health Services demonstrated an up to 25% increase in the proportion of clinicians who actively discouraged consumers from having unnecessary tests, treatment or procedures in the hospital setting.

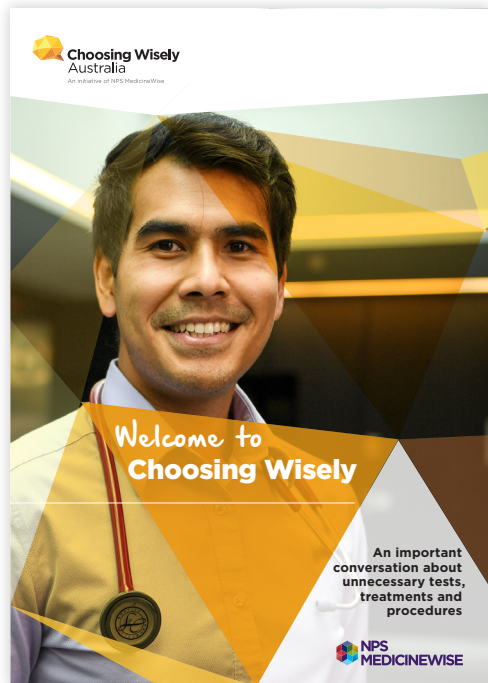
NPS MedicineWise routinely promotes and integrates Choosing Wisely into national educational programs. In the past year, individual primary care programs targeting asthma, opioids, psychotropics in aged care, and heart failure promoted Choosing Wisely recommendations from The Thoracic Society of Australia and New Zealand, Faculty of Pain Medicine of the Australian and New Zealand College of Anaesthetists, the Australian and New Zealand Society of Geriatric Medicine, and the Society of Hospital Pharmacists of Australia.

Evaluation of previous educational programs has shown positive changes in GP practices. GP awareness of a Choosing Wisely Australia recommendation on the use of opioids for chronic non-cancer pain increased by 14% after participation in the opioids education program. Following the paediatric asthma education program there was a 27% increase in GPs who implemented the stepped approach to treatment specified in the Australian guidelines.

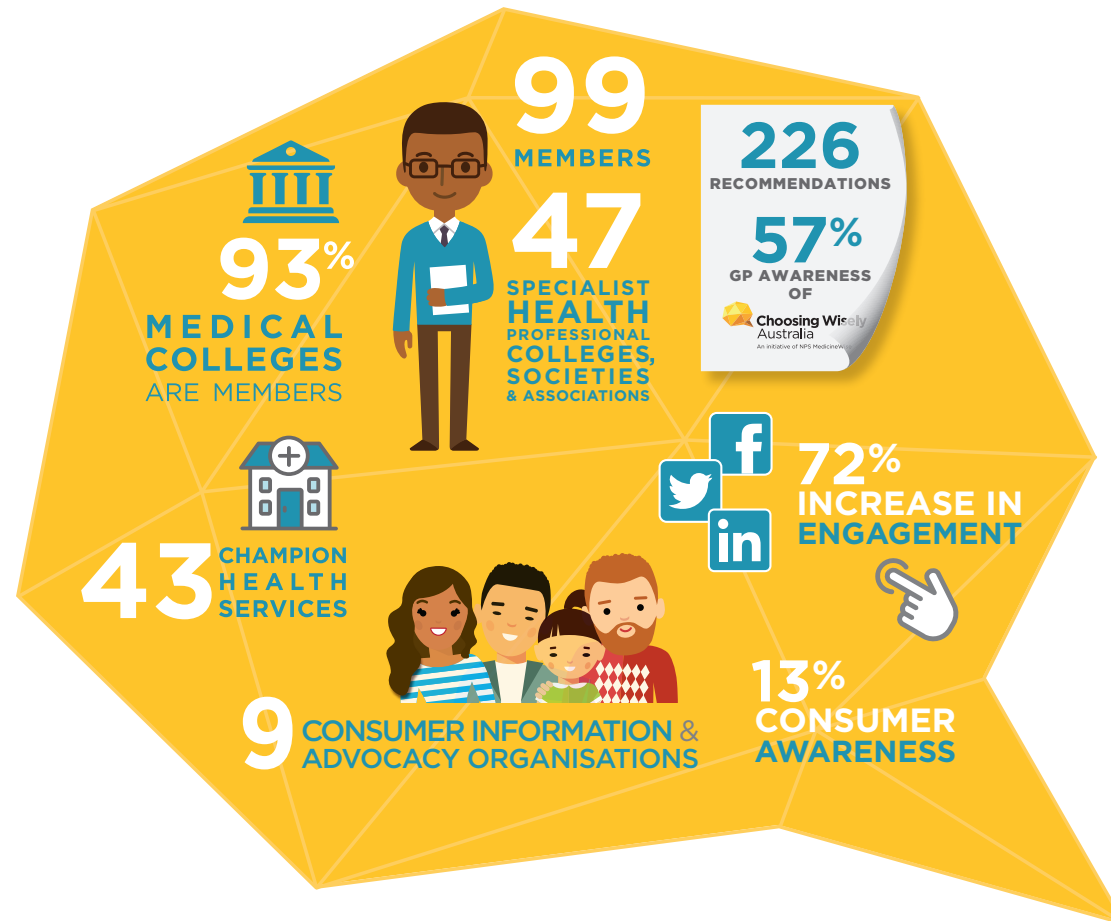
# Awareness of Choosing Wisely leads to behaviour change

A five-year evaluation of the Choosing Wisely initiative has found awareness has increased significantly among health professionals and consumers. GP awareness increased from 8% in 2015 to 57% in 2020 and in specialists it shifted from 18% to 49%. Consumer awareness of Choosing Wisely increased from 5% in 2015 to 13% in 2020.

Importantly, health professionals aware of Choosing Wisely were significantly more likely to engage in clinical practices that align with Choosing Wisely principles, and these health professionals reported changing their practice in line with the recommendations. Consumers aware of the initiative were also more likely to ask their health professionals questions enabling conversations about appropriate care.



## Choosing Wisely membership



# MedicineInsight informing quality improvement in primary care

The MedicineInsight program continues to be an important part of our mission to enable better health and economic outcomes for people and the community.

MedicineInsight extracts longitudinal, deidentified, whole-of-practice data from the clinical information systems (CISs) of participating general practices to connect patient conditions with treatments and outcomes. The data reflects activities in general practices, including patients' conditions and risk factors, medicines prescribed, vaccines delivered and results of pathology tests.

MedicineInsight is a large-scale, national general practice dataset, established to support quality improvement in general practice, post-market monitoring of medicines and tests, Australian health policy and primary care research.

With approximately 700 general practices contributing to the unique data set, MedicineInsight has consolidated its place as a useful and robust dataset for insights into general practice in Australia. It has gained added relevance this year providing insights of the health effects of the bushfires and the impact of COVID-19 on healthcare delivery and continues to inform policy and research.

## Tailored reports for GPs

During 2020–21 we delivered tailored practice reports based on MedicineInsight data to GPs participating in the program. The reports provided them with deep insights into their patient care over time, enabling them to review their own patterns of prescribing, compare with best practice guidelines and make quality improvement decisions based on real-time, high quality and clinical evidence. MedicineInsight practices had access to all-of practice meetings facilitated by NPS MedicineWise Educational Visitors to discuss their tailored reports, with meetings focusing on practice-led development of quality improvement interventions aligned with our national educational programs. Reports are refreshed monthly and available to participating practices via a secure web-based repository. Report content is also available to support non-MedicineInsight practices.

Topics for which MedicineInsight practices had access to practice reports to inform quality improvement activities in 2020–21 included:

- ▶ Heart Failure: an active role for GPs and patients
- ▶ Changed behaviours in dementia, a person-centred approach
- ▶ Asthma in children and adolescents
- ▶ Opioids and the bigger picture when treating chronic pain
- ▶ Anxiety: Rethinking the options
- ▶ Low back pain: taking action

## Reports for policy makers

A number of reports for policy makers were commissioned throughout the year by the Australian Department of Health.

- ▶ **Chronic kidney disease management:** The report examined pathology and medicines in the management of chronic kidney disease. The study found potential improvements around pathology testing.
- ▶ **HbA<sub>1c</sub> testing and diabetes:** The report found good concordance with guidelines for HbA<sub>1c</sub> and eGFR testing in people with type 2 diabetes. Only half of patients had a record of the guideline recommended urine albumin to creatinine ratio (ACR) test. Rates of HbA<sub>1c</sub> testing fell during the early 2020 COVID-19 lockdowns.
- ▶ **Medical tests during chronic conditions or pregnancy:** The report studied commonly recorded tests during pregnancy and for type 2 diabetes, chronic kidney disease and others. The commonly recorded tests for these conditions were consistent with the relevant guidelines.
- ▶ **Dry eye and the prescription of ocular lubricants:** The report looked at changes in prescribing of ocular lubricants and relevant recorded conditions.
- ▶ **Denosumab for osteoporosis:** This report explored the use of osteoporosis medicines in general practice, with a particular interest in the use of denosumab.

## General Practice Insights Report

Our third General Practice Insights Report, published in October 2020, looked at the de-identified data of 2.9 million patients to identify the most common chronic health conditions managed in general practice, and the clinical management these patients received in 2018–19. It also provided vignettes that show how the data collected from participating MedicineInsight practices can be used to support quality improvements in clinical practice and health service planning.

For the first time, the report contained information on the prevalence of dementia and serious mental illnesses such as schizophrenia and bipolar disorder, as well as information about children who see a GP.



## Research publications

Several research projects using MedicinesInsight data have been highlighted in respected academic journals over the past year:

- ▶ [Prevalence, incidence and management of atopic dermatitis in Australian general practice using routinely collected data from MedicinesInsight.](#)
- ▶ [Osteoporosis management in Australian general practice: an analysis of current osteoporosis treatment patterns and gaps in practice](#)
- ▶ [Validity of algorithms for identifying five chronic conditions in MedicinesInsight, an Australian national general practice database](#)
- ▶ [Pregabalin prescribing patterns in Australian general practice, 2012–2018: a cross-sectional study](#)
- ▶ [Prevalence of inflammatory bowel disease in the Australian general practice population: A cross-sectional study](#)

All research is subject to rigorous governance approvals and information on approved projects using MedicinesInsight data is publicly available on the NPS MedicineWise website.

[Read the full list of approved projects using MedicinesInsight data and associated publications.](#)

## Our ethical frameworks

Since establishing MedicinesInsight in 2011, we have operated within robust privacy and ethical frameworks. Provision of de-identified patient information remains under the custodianship of the general practices and follows specific secondary use principles. This includes only using the MedicinesInsight data for public good and taking reasonable steps to ensure information is collected, used and stored in a way that is safe, secure and in line with relevant state, territory and Commonwealth legislation.

Two recent reviews in 2021 have reaffirmed that the consent model underpinning MedicinesInsight is appropriate and robust, and that the program continues to operate in full compliance with Australian privacy laws and ethical principles.

The first was a review of the consent model for MedicinesInsight. It involved consultation with a range of stakeholders, including privacy, health consumer and Aboriginal and Torres Strait Islander advocacy groups, government, academics and data linkage experts. The second review was an independent Privacy Impact Assessment undertaken by external privacy advisors.

The governance of the MedicinesInsight program will be further strengthened during 2021 with an additional external and independent evaluation of the program.

[Read more about privacy, security and governance for MedicinesInsight.](#)



# Extending our impact

In addition to our core contract work with the Australian Government Department of Health, NPS MedicineWise works with other stakeholders to design, develop and implement innovative programs to improve health knowledge and decision-making.

Always with the aim of having a positive impact on health outcomes, these additional programs

- ▶ generate health insights through capturing and synthesising health information,
- ▶ drive clinical improvements by delivering evidence-based programs, products and community initiatives to improve clinical decisions, or
- ▶ facilitate knowledge transfer, providing multi-faceted support for health professionals and consumers.

Collaborating with these customers provides a way for us to increase our impact and to drive the implementation of quality use of medicines in new and different areas.

Some of our new and continuing programs in 2020–21 are highlighted below.

## Embedding regulatory reforms for opioids

Commissioned by the Therapeutic Goods Administration (TGA), we developed a suite of interventions to raise awareness about the regulatory changes around opioids and the implications in practice beyond our *Opioids, Chronic Pain and the Bigger Picture* program.

As part of this project, we surveyed health professionals to help inform activity and resource development around opioids. We produced consumer

web content and updated material to support existing program activities. Activities and resources to support health professionals included a RADAR article, health professional webinars, a series of communication videos to assist with having effective conversations between health professionals and patients, a series of podcasts for health professionals and an online module based on an interactive case study. Participation in the activities resulted in positive changes to health professional knowledge, confidence and practice in relation to the details of, and the rationale for the regulatory changes. Participation also supported health professionals to implement these changes in practice; discussing opioid harms with patients and identifying who might benefit from opioid tapering; and starting a conversation with patients about opioid tapering and supporting patients who decide to taper their opioid.

Additionally, a series of videos for consumers was developed and promoted in close collaboration with the Consumers Health Forum of Australia (CHF) and the National Aboriginal Community Controlled Health Organisation (NACCHO). The [series of videos](#), aimed at consumers, was designed to raise awareness of the harms of opioids as well as other pain management options, and to address some of the misconceptions and stigma associated with opioids and chronic pain. Positive feedback about the quality and engaging content was received from participants and stakeholders.

## PHN Immunisation Support Program

The PHN Immunisation Support Program commenced in 2017 and is a collaborative project between the National Centre for Immunisation Research and Surveillance and NPS MedicineWise, funded by the Australian Government Department of Health. This initiative provides a national, coordinated support service to help PHNs develop and enhance

immunisation programs to meet the needs of local communities. PHNs and other stakeholders have access to an online hub where they can access and share best practice information and resources using a community of practice approach. The program supports working groups, provides education and networking opportunities and provides mentoring and

advice. We work nationally in collaboration with all Primary Health Networks (PHNs), jurisdictional and Commonwealth health departments and Services Australia to drive improved patient care through optimal uptake of immunisation



## Ensuring best possible outcomes through safe and wise use of bDMARDs and other specialised medicines

Biologics and other specialised medicines have made a significant improvement to the management of chronic diseases like inflammatory arthritis, inflammatory bowel disease and plaque psoriasis.

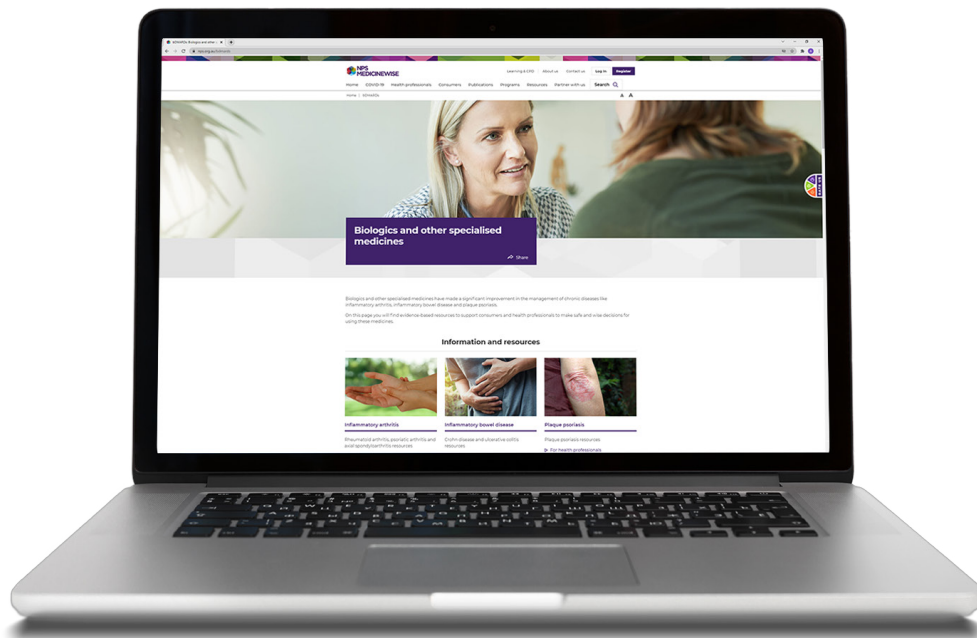
NPS MedicineWise and eight organisations representing specialists, pharmacists, consumers and research experts (the Targeted Therapies Alliance), have developed evidence-based resources to support consumers and health professionals to make safe and wise decisions about using these medicines. Funded by the Australian Government Department of Health through its Value in Prescribing program, the Alliance aims to

ensure the best possible health and economic outcomes through the quality use of these medicines.

A wide range of resources has been developed for use by health professionals and consumers to support shared decision-making for patients with rheumatoid arthritis, psoriatic arthritis, ankylosing spondylitis, Crohn disease, ulcerative colitis and plaque psoriasis. These decision aids, algorithms, action plans and factsheets are based on the latest evidence and have been co-designed with specialists and consumers across the specialty areas. Webinars, podcasts, educational training modules and practice-based resources support prescribers, pharmacists and nurses to keep up to date.

As part of the program, a unique educational visiting service is available for rheumatologists, gastroenterologists and dermatologists. These one-to-one clinical updates provide an opportunity to discuss in more detail the current best available evidence around medicines for inflammatory arthritis, inflammatory bowel disease and plaque psoriasis.

Access to the resources and information developed by the Alliance are available through [this website](#) and through Alliance members' websites.



## Promoting appropriate use of immunoglobulins

Immunoglobulin is a critical therapy for people with immunodeficiencies and immune-type neurological conditions, but demand is growing, and this is a precious resource.

Under the Australian Government's Value in Prescribing Program, NPS MedicineWise is partnering with the National Blood Authority and working with a consortium of health organisations nationally to improve the health outcomes for patients prescribed immunoglobulin products. The program has developed and is progressing a range of educational resources, tools and interventions for both medical professionals (particularly specialists) and consumers targeted around a number of specific conditions. This work will optimise treatment pathways and educate on the appropriate use of immunoglobulin products in Australia.

### + TARGETED THERAPIES ALLIANCE

Helping consumers and health professionals make safe and wise therapeutic decisions about biological disease-modifying antirheumatic drugs (bDMARDs) and other specialised medicines. Funded by the Australian Government Department of Health through the Value in Prescribing bDMARDs Program Grant.



The consortium also works closely with the key dermatology and gastroenterology organisations, The Australasian College of Dermatologists, Psoriasis Australia, Gastroenterological Society of Australia and Crohn's & Colitis Australia.



## Nicotine vaping scheduling changes

From 1 October 2021 a prescription will be required for Australians to legally access nicotine e-cigarettes and vapouriser nicotine for any purpose, including importing from overseas online retailers. Under the new arrangements, prescribers will be able to seek authorisation from the Therapeutic Goods Administration (TGA) to be authorised prescribers for a group of patients, or for Special Access Scheme approval for individual patients.

Developed with the Australian Government Department of Health and the Therapeutic Goods Administration (TGA), NPS MedicineWise has developed an **information hub** including an article, two podcast episodes and a flow chart summarising the pathways for access to help prescribers prepare themselves and their practice for the scheduling change.

# Quality management and clinical governance

## Quality management, clinical governance and data governance frameworks

The NPS MedicineWise Quality Policy underpins our work and describes our quality objectives, principles supporting quality and other fundamental elements of our Quality Management System.

Our programs, products and services are developed in accordance with our Clinical Governance Policy which describes the principles, practices and objectives for ensuring good clinical governance. Clinical governance frameworks and product development processes support the application of the policy.

Our data governance framework underpins all MedicineInsight activities to ensure appropriate use of data. An independent and external Data Governance Committee provides advice and approval on use and sharing of MedicineInsight data, and the program has been granted ethics approval from the RACGP National Research and Evaluation Ethics Committee (NREEC). An independent Privacy Impact Assessment was undertaken on the program in 2021. It concluded the program's privacy approach is strong and compliant with privacy legislation. Additionally, a review of the program's consent regime concluded the program's consent model is legally and ethically appropriate.

[Read more about our quality management, clinical governance and data governance frameworks.](#)

## Advisory input for quality use of medicines stewardship

We manage and coordinate a range of formal governance groups who meet at various intervals each year.

Working together with subject matter experts through formal program governance ensures our programs and interventions are appropriately designed, targeted and contextualised to meet the needs of different audiences, and delivered in partnership with the appropriate organisations.

In 2020–21, active governance groups included:

- ▶ Australian Prescriber Editorial Executive
- ▶ Consumer Advisory Group
- ▶ Choosing Wisely Advisory Group
- ▶ Clinical Intervention Advisory Group
- ▶ Data Development Advisory Group
- ▶ Independent External Data Governance Committee
- ▶ MedicineInsight GP Advisory Group
- ▶ Good Medicine Better Health Advisory Group

# Together with our members

Our 46 member organisations are an important and valued asset to our work. The member organisations represent GPs, pharmacists, specialists, nursing, other health professionals, the pharmaceutical industry, government and the Australian community.

|   |  |   |   |
|---|--|---|---|
|    |    |    |    |
|    |     |    |    |
|    |     |    | <p>Australian Government<br/>Department of Veterans' Affairs</p>                      |
|  |  |  |  |
|  |  |  |  |

|   |  |  |   |
|---|--|--|---|
|  <p><b>Consumer Healthcare Products Australia</b></p>                            |  <p><b>CHF</b> Consumers Health Forum of Australia</p>   |  <p><b>COTA</b><br/>For older Australians<br/>Council on the Ageing (COTA)</p>  |  <p><b>diabetes australia</b></p>  |
|  <p><b>FECCA</b><br/>Federation of Ethnic Communities' Councils of Australia</p> |  <p><b>GBMA</b> Generic and Biosimilar Medicines Association</p>                                     |  <p><b>HEAL</b><br/>Health Education Australia Limited</p>  |  <p><b>Lung Foundation Australia</b></p>                                   |
|  <p><b>MSIA</b><br/>MEDICAL SOFTWARE INDUSTRY ASSOCIATION</p>                    |  <p><b>Medicines Australia</b></p>   |  <p><b>NACCHO</b><br/>National Aboriginal Community Controlled Health Organisation</p>  |  <p><b>National Asthma Council AUSTRALIA</b></p>                           |
|  <p><b>Heart Foundation</b></p>  |  <p><b>NSW TAG</b> NSW Therapeutic Advisory Group Inc. Advancing quality use of medicines in NSW</p> |  <p><b>Optometry AUSTRALIA</b></p>  |  <p><b>PalliativeCare AUSTRALIA</b></p>                                    |
|  <p><b>Pharmaceutical Society of Australia</b></p>                               |  <p><b>The Pharmacy Guild of Australia</b></p>   |  <p><b>RACP Specialists. Together</b><br/>Royal Australasian College of Physicians</p>   |  <p><b>RACGP</b><br/>Royal Australian College of General Practitioners</p> |
|  <p><b>The Royal Australian &amp; New Zealand College of Psychiatrists</b></p> |  <p><b>The Royal Australian and New Zealand College of Radiologists*</b></p>                        |  <p><b>RCPA</b><br/>The Royal College of Pathologists of Australasia</p>  |  <p><b>RURAL DOCTORS ASSOCIATION OF AUSTRALIA</b></p>                    |
|  <p><b>shpa</b><br/>Society of Hospital Pharmacists of Australia</p>           |  <p><b>Therapeutic Guidelines</b></p>  | <p>In the 2020–21 financial year NPS MedicineWise established new formal partnering agreements with the Australian Commission on Safety and Quality in Health Care, National Aboriginal Community Controlled Health Organisation and Primary Health Networks. Existing collaborative agreements were renewed with the Pharmaceutical Society of Australia, the Royal Australian College of General Practitioners, the Therapeutic Goods Administration, the Consumers Health Forum and Therapeutic Guidelines.</p> |   |

# Board of Directors

## Dr Andrew Knight



Andrew is Chair NPS MedicineWise.

He is a staff specialist general practitioner and Director of the South Western Sydney Local Health District Primary and Integrated Care Unit.

Andrew holds academic appointments at the University of NSW and Western Sydney University. He was previously a Director of Training in the Australian General Practice Training Program. He has had extensive experience in quality improvement for general practice through the Australian Primary Care Collaboratives Program. He is the former chair of the Nepean Blue Mountains Primary Health Network.

Andrew is a fellow of the Australian Institute of Company Directors and a member of the Board Governance and Nomination Committee.

## Adjunct Professor Mark Booth



Mark Booth is a Principal at Nous Group – a consultancy company that operates across the public and private sectors in Australia, Canada and the UK.

He is the former Chief Executive Officer of Food Standards Australia New Zealand (FSANZ). Prior to joining FSANZ in early 2017 Mark had a career predominantly in the health sector looking at strategic policy issues. He has worked in the public, private and academic sectors in the UK, New Zealand, Australia and the USA.

Mark's original background was in health economics and he has post graduate qualifications in economics, public administration and public health. Mark is an adjunct professor at the Centre for Health Economics and Evaluation at UTS; and is a visiting research fellow at the School of Population Health at the ANU.

Mark is a member of the Board Audit and Risk Committee.

## Dr Rosemary Bryant



Rosemary is a former Executive Director of the Royal College of Nursing, Australia and the first Commonwealth Chief Nurse and Midwifery Officer from 2008 to 2015.

She is a Distinguished Life Fellow of the Australian College of Nursing, holds honorary life membership of the Australian Nursing and Midwifery Federation (SA Branch), is

Emerita Director of Nursing at Royal Adelaide Hospital and was President of the International Council of Nurses from 2009 to 2013. She chairs the Steering Committee of the Rosemary Bryant AO Research Centre.

Rosemary was an NPS MedicineWise director from 25 October 2017 to 25 October 2020 and Chair of the Board Governance and Nomination Committee during the 2020–2021 financial year.

## Dr Amandeep Hansra



Amandeep is a practising GP in Sydney. She is also a national expert in digital health having worked as a Senior Medical Adviser at Medibank and then in 2014 she became the founding Chief Medical Officer and CEO of Telstra ReadyCare (first full telemedicine service in Australia) and went on to be the Chief Medical Officer for Telstra Health.

Amandeep also established a telemedicine service in the Philippines in partnership with leading Swiss telemedicine provider Medgate.

In her work as a digital health consultant, she has been involved in a number of government digital health reviews at both State and Commonwealth levels.

She sits on a number of boards and committees. She is a Clinical Reference Lead for the Australian Digital Health Agency, Fellow of the Australasian Institute of Digital Health, Fellow of the Royal Australian College of General Practitioners and holds a Global Executive MBA from Sydney University; a Master's in Public Health and Tropical Medicine, the Australian Certificate of Civil Aviation Medicine and is a Graduate of the Australian Institute of Company Directors.

Amandeep is a member of the Board Governance and Nomination Committee and Board Business Development Committee.



## Mr Rob Fitzpatrick



Rob is an experienced company director, chief executive and corporate advisor, with expertise in commercialisation, technology, innovation and growth.

During a career spanning 30 years, Rob has represented Australia's Property and Technology sectors at the highest levels domestically and internationally, demonstrated capabilities in corporate strategy, sales & marketing at McKinsey & Company in Australia, Europe and Asia, telecommunications at SingTel Optus, technology innovation at shopfast.com.au and Gelion Technologies, and commercialisation of early-stage research at Data61. He has been foundation investor in technology-based start-ups and company director influencing technology adoption in traditional businesses. Rob has a detailed understanding of public sector operations at federal and state level, research and higher education, agriculture, renewable energy, retail, telecommunications and technology sectors and has worked with boards of a broad range of organisations.

Rob has Economics and Law degrees from the University of Sydney, a Master in Business Administration from The Wharton School at the University of Pennsylvania and is a Graduate of the Australian Institute of Company Directors.

Rob is a member of the Board Audit and Risk Committee and Board Business Development Committee.

## Ms Judy Gregurke



Judy is a management consultant and consumer and health advocate. She has over 25 years of experience in executive management roles in health, disability and peak body membership organisations in the not-for-profit sector and applies that experience in her consulting roles.

She is a consumer advisor for the Australian Digital Health Agency and a member of the Services Australia Aged Care Taskforce and a former member of the Aged Care Sector Committee and the Aged Care Quality and Safety Commissioner's Consultative Forum.

Judy is an experienced leader with a genuine passion for empowering and supporting people and representing the views and concerns of workers, service users, consumers and community members.

She is a speech pathologist with a master's degree in Health Administration (Health Service Management). She is also a Graduate and member of the Australian Institute of Company Directors.

Judy is a Chair of the Board Governance and Nomination Committee.

## Dr James Langridge



Jim's career over the past 30 years has been in higher education administration, specialising for over 20 years in international education, entrepreneurship in higher education and business management.

He brings to the NPS MedicineWise Board experience gained from directorships of organisations in the private education sector, entrepreneurial start-up companies and those involved in regional and economic development. His experience in offshore markets is diverse, in particular in the Middle East, South Asia and North America.

His qualifications include a doctorate from the University of Southampton on the topic 'Entrepreneurship in higher education'. He was awarded a fellowship of the UOW in recognition of his contribution to international higher education and is also a fellow of the Australian Institute of Company Directors.

Jim is a member of the Board Audit and Risk Committee and Chair of the Board Business Development Committee.

## Dr Winston Liauw



Winston is a practicing medical oncologist and clinical pharmacologist with master's degrees in pharmaceutical development and public policy.

His clinical practice is based around gastrointestinal cancer with a speciality in regional and intraperitoneal chemotherapy. He is a Director of the Cancer Services

Stream, South Eastern Sydney Local Health District and Oncology Program.

Winston is Oncology Program Chair at the NSW Health Education and Training Institute (HETI) and convenes the Basic Science of Oncology Course. He is a member of leadership groups of the Translational Cancer Research Network and UNSW Sphere Cancer Academic Group and Chief Medical Information Officer South Eastern Sydney Local Health District.

Winston is Chair of the Board Audit and Risk Committee and a member of the Board Business Development Committee.

## Ms Deborah Rigby



Debbie is a consultant clinical pharmacist practicing in Brisbane. She is an internationally recognised certified geriatric pharmacist, having a special interest in geriatric and respiratory pharmacotherapy, and regularly conducts medication review services and presentations to pharmacists, nurses, allied health professionals and consumers.

Debbie is a member of the Medication Safety Oversight Committee, Australian Commission for Quality and Safety in Health Care. Adjunct Associate Professor at the School of Pharmacy, University of Queensland. Clinical Associate Professor at Queensland University of Technology.

NPS MedicineWise Director from 25 August 2008 to 25 August 2020.

# Board Audit and Risk Committee report

The Audit and Risk Committee is a standing committee charged with the responsibility of assisting the NPS MedicineWise Board to fulfil its fiduciary responsibilities in relation to corporate accounting, reporting practices and risk management.

The Audit and Risk Committee continues to make sound progress on a number of fronts, including financial management reporting, policy development, risk management and financial controls.

Highlights for 2020–21 are:

- ▶ Recommending and approving financial governance and risk management strategies and policies
- ▶ Receiving an unqualified audit report for the 2019–20 financial year

I would like to thank my fellow Board Audit and Risk Committee members and all directors for their continued efforts in ensuring NPS MedicineWise remains well placed to implement its vision and goals. To the Senior Leadership Group, our Finance Team, the Legal, Governance and Risk Team and managers across the organisation, together with our external auditor Pitcher Partners, I extend my gratitude for your continued professional support.

**Dr Winston Liauw**

*Chair, Audit and Risk Committee*

# Board Governance and Nomination Committee report

The Board Governance and Nomination Committee (BGNC) is a standing committee charged with assisting the Board to discharge its responsibilities and duties to NPS MedicineWise members, other stakeholders and at law by ensuring:

- ▶ NPS MedicineWise has a values and skills-based board of an effective size and commitment.
- ▶ The NPS MedicineWise Board has policies and procedures that guarantee effective governance of the board and organisation.

During the year Rosemary Bryant retired as a director and BGNC Chair at which time Judy Gregurke was appointed BGNC Chair. I would like to thank Rosemary for her valued contribution to the BGNC. During the year Amandeep Hansra joined the BGNC and I would like to welcome her.

Significant activities undertaken over the past 12 months included:

- ▶ Regular succession planning discussions on behalf of the Board, to ensure the board has a complement of skills to lead the organisation into the future in a way that is consistent with current best practice.
- ▶ Review of a new Board composition guidance and skills matrix. These important tools underpin decisions and planning about board composition and appointments, to ensure it continues to well support effective organisational governance and deliver on strategy.

During 2020–21 the Board made three director appointments. The role of the BGNC is to regularly review the recruitment and appointment processes for new directors; assessing applicants against the defined criteria for each role; and for applicants meeting the criteria, interviewing them on behalf of the Board. Recommendations for appointment to the Board are then made by the BGNC for Board consideration. Once new directors are appointed, the BGNC has an important role in ensuring they receive an appropriate induction to prepare them for their role on the NPS MedicineWise Board.

I would like to thank my fellow BGNC members for their essential and meaningful contribution to the work of the Committee.

## **Ms Judy Gregurke**

*Board Governance and Nomination Committee*

# Board Business Development Committee report

The Board Business Development Committee is a standing committee charged with the responsibility of assisting the NPS MedicineWise Board to discharge its responsibilities to members and other stakeholders by ensuring that:

- ▶ NPS MedicineWise takes advantage of strategic business opportunities to support both the impact and sustainability of the business.
- ▶ Associated risks of business opportunities are appropriately considered and managed.
- ▶ There is compliance and alignment with the Department of Health Grant Agreement in relation to new business activities.
- ▶ There is alignment with the NPS MedicineWise mission and strategy supporting principles of independence and evidence-based approach in relation to new business activities.

During the year the Committee provided advice to the Board on the viability, strategic advantage and risk of potential opportunities.

I would like to thank my fellow Board Business Development Committee members and the Senior Leadership Group for their significant and meaningful contribution to the work of the Committee.

**Dr James Langridge**

Chair, Board Business Development Committee

# Financial report

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## DIRECTORS' REPORT

The Directors present their report together with the annual financial report of National Prescribing Service Limited and its 100% wholly owned subsidiary, VentureWise Pty Limited, from hereon in referred to as "the Group" for the financial year ended 30 June 2021.

### Directors

The Directors in office at any time during or since the end of the year are:

#### Non-Executive Directors

Andrew Knight (Chair)  
James Langridge  
Winston Liauw  
Judy Gregurke  
Mark Booth (appointed 15 February 2021)  
Amandeep Hansra (appointed 15 February 2021)  
Robert Fitzpatrick (appointed 15 February 2021)

#### Retired Non-Executive Directors

Deborah Rigby (retired 25 August 2020)  
Rosemary Bryant (retired 25 October 2020)

### Particulars of Directors

| Name of Director and Qualifications                                     | Board committee memberships   | Experience   |
|---|---|--|
| <b>Andrew Knight (Chair)</b><br>MBBS, MMedSci, FRACGP, FAICD            | Board Governance and Nomination Committee   | Director, Primary and Integrated Care Unit, South Western Sydney Local Health District. Conjoint Senior Lecturer in general practice at the University of New South Wales and Western Sydney University. Clinical Adviser for the Australian Primary Care Collaborative program. Former Chair of the Nepean Blue Mountains Primary Health Network.<br><br>NPS MedicineWise Director since 3 August 2010. |
| <b>James Langridge</b><br>BBus, GradDipTertiaryEd, MEdAdmin, DBA, FAICD | Board Audit and Risk Committee<br><br>Chair, Board Business Development Committee | Formerly Vice Principal (International) University of Wollongong and Foundation CEO/Managing Director of the ITC Group of Companies (UOW's commercial arm). Significant Board experience in offshore jurisdictions especially the Middle East and North America. Chair, VentureWise Pty Ltd.<br><br>NPS MedicineWise Director since 3 December 2009.   |

## DIRECTORS' REPORT (Continued)

### Particulars of Directors (Continued)

| Name of Director and Qualifications  | Board committee memberships   | Experience  |
|--|---|---|
| <b>Winston Liauw</b><br>MBBS(Syd), MMedSci(UNSW), FRACP, GAICD, MPol&Policy(Deakin)  | Chair, Board Audit and Risk Committee<br><br>Board Business Development Committee | Practising Medical Oncologist and a Clinical Pharmacologist. Director of the Cancer Services Stream South Eastern Sydney Local Health District and Oncology Program. Chair at the NSW Health Education and Training Institute (HETI) Course and convener Basic Sciences of Oncology. Member of Royal Australasian College of Physicians Policy and Advocacy Committee. Member of leadership groups of the Translational Cancer Research Network and UNSW Sphere Cancer Academic Group. Chief Medical Information Officer South Eastern Sydney LHD.<br><br>NPS MedicineWise Director since 18 June 2010. |
| <b>Deborah Rigby</b><br>BPharm, GradDipClinPharm, AdvDipNutrPharm, AdvPracPharm, AACPA, FASCP, FACP, FPS, FSHP, FAICD                                      | Board Audit and Risk Committee (1 July to retirement)                             | Advanced Practice Pharmacist. Member of Medication Safety Oversight Committee, Australian Commission for Quality and Safety in Health Care. Adjunct Associate Professor at the School of Pharmacy, University of Queensland. Clinical Associate Professor at Queensland University of Technology.<br><br>NPS MedicineWise Director from 25 August 2008 to 25 August 2020.   |
| <b>Mark Booth</b><br>Executive Master in Public Administration (EMPA), Postgraduate Diploma in Public Health, M.A. Economics, B.A. (Hons) Economics, GAICD | Board Audit & Risk Committee (appointed 26 February 2021)                         | Management consultant.<br><br>Former Chief Executive Officer of Food Standards Australia New Zealand (FSANZ)<br><br>Prior to joining FSANZ in early 2017 career predominantly in the health sector looking at strategic policy issues. Worked in the public, private and academic sectors in the UK, New Zealand, Australia and the USA.<br><br>Adjunct professor at the Centre for Health Economics and Evaluation at UTS; and a visiting research fellow at the School of Population Health at the ANU.<br><br>NPS MedicineWise Director since 15 February 2021                                       |



**DIRECTORS' REPORT (Continued)**

**Particulars of Directors (Continued)**

| Name of Director and Qualifications  | Board committee memberships   | Experience   |
|--|---|--|
| <b>Rosemary Bryant AO</b><br>FACN (DLF)  | Chair, Board Governance and Nomination Committee (1 July to retirement)   | Former Executive Director of the Royal College of Nursing, Australia and the first Commonwealth Chief Nurse and Midwifery Officer.<br><br>A distinguished Life Fellow of the Australian College of Nursing, holds honorary life membership of the Australian Nursing and Midwifery Federation (SA Branch), is Emerita Director of Nursing at Royal Adelaide Hospital and was President of the International Council of Nurses from 2009 to 2013. Chairs the Steering Committee of the Rosemary Bryant AO Research Centre and is chair of the Rosemary Bryant Foundation.<br><br>NPS MedicineWise Director from 25 October 2017 to 25 October 2020. |
| <b>Judy Gregurke</b><br>Dip App Sc, MHA, GAICD   | Chair, Board Governance and Nomination Committee (appointed 25 October 2020)  | Management consultant.<br><br>Experienced consumer and community health advocate with over 25 years of experience in executive management roles in health, disability and peak body membership organisations in the not-for-profit sector.<br><br>Former member of the Aged Care Sector Committee and the Aged Care Quality and Safety Commissioner's Consultative Forum.<br><br>Experienced leader with a genuine passion for empowering and supporting people and representing the views and concerns of workers, service users, consumers and community members.<br><br>NPS MedicineWise Director since 25 May 2020.                            |
| <b>Amandeep Hansra</b><br>BMED (Hons), FACHI, FRACGP, MPH&TM, ACCAM GAICD, GEMBA, CHIA | Board Governance & Nomination Committee (appointed 26 February 2021)<br><br>Board Business Development Committee (appointed 26 February 2021) | Practising GP in Sydney. Former Senior Medical Adviser at Medibank and founding Chief Medical Officer and CEO of Telstra ReadyCare, then Chief Medical Officer for Telstra Health. Established a telemedicine service in the Philippines in partnership with leading Swiss telemedicine provider Medgate.<br><br>A digital health consultant involved in a number of government digital health reviews at both State and Commonwealth levels.<br><br>NPS MedicineWise Director since 15 February 2021.   |

**DIRECTORS' REPORT (Continued)**

**Particulars of Directors (Continued)**

| Name of Director and Qualifications                     | Board committee memberships  | Experience  |
|---|--|---|
| <b>Robert (Rob) Fitzpatrick</b><br>MBA, BEc.LL.B, GAICD | Board Audit & Risk Committee (appointed 26 February 2021)<br><br>Board Business Development Committee (appointed 26 February 2021) | Experienced company Director, chief executive and corporate advisor, with expertise in commercialisation, technology, innovation and growth.<br><br>A career spanning 30 years, Rob has represented Australia's Property and Technology sectors at the highest levels domestically and internationally, demonstrated capabilities in corporate strategy, sales & marketing at McKinsey & Company in Australia, Europe and Asia, telecommunications at SingTel Optus, technology innovation at shopfast.com.au and Gelion Technologies, and commercialisation of early stage research at Data61.<br><br>Detailed understanding of public sector operations at federal and state level, research and higher education, agriculture, renewable energy, retail, telecommunications and technology sectors.<br><br>NPS MedicineWise Director since 15 February 2021. |

**Company Secretary**

Kerry-Ann Aitken was reappointed as Company Secretary effective from 1 January 2021.

**Meetings of Directors**

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the directors of the Company during the financial year are:

| Name of Director | Meeting of Directors      |                             | Board Audit & Risk Committee meetings |                             | Board Governance & Nomination Committee |                             | Board Business Development Committee |                             |
|------------------|---------------------------|-----------------------------|---------------------------------------|-----------------------------|---|-----------------------------|--------------------------------------|-----------------------------|
|                  | Number eligible to attend | Number of meetings attended | Number eligible to attend             | Number of meetings attended | Number eligible to attend               | Number of meetings attended | Number eligible to attend            | Number of meetings attended |
| Andrew Knight    | 9                         | 9                           |                                       |                             | 6                                       | 6                           |                                      |                             |
| James Langridge  | 9                         | 9                           | 5                                     | 5                           |   |                             | 3                                    | 3                           |
| Winston Liauw    | 9                         | 8                           | 5                                     | 5                           |   |                             | 3                                    | 3                           |
| Judy Gregurke    | 9                         | 9                           |                                       |                             | 6                                       | 6                           |                                      |                             |
| Mark Booth       | 3                         | 3                           | 1                                     | 1                           |   |                             |                                      |                             |
| Rob Fitzpatrick  | 3                         | 3                           | 1                                     | 1                           |   |                             | 1                                    | 1                           |
| Amandeep Hansra  | 3                         | 3                           |                                       |                             | 2                                       | 2                           | 1                                    | 1                           |
| Deborah Rigby    | 1                         | 1                           | 1                                     | 1                           |   |                             |                                      |                             |
| Rosemary Bryant  | 3                         | 3                           |                                       |                             | 2                                       | 2                           | 2                                    | 2                           |

## DIRECTORS' REPORT (Continued)

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### Principal Activities

NPS MedicineWise aims to improve the health of Australians through safe and wise use of medicines and other health technologies.

We add value as the steward of quality use of medicines: promoting safe and wise use of medicines; bridging gaps between evidence and practice; and enabling better decisions.

Our work supports achievement of the Quality Use of Medicines objectives of Australia's National Medicines Policy.

We are independent, not-for-profit, evidence-based and consumer centred.

### Operating Results

The net deficit for the year ended 30 June 2021 was \$340,753 (2020: deficit \$789,933).

### Review of Operations

In the 2020-21 financial year with healthcare receiving elevated public attention during the ongoing COVID-19 pandemic as well as ongoing attention to aged care, NPS MedicineWise has continued to deliver on our objectives. Using our agile way of remote and face-to-face working, we supported the quality use of medicines in a space of quickly changing healthcare evidence and advice.

Services delivered in 2020-21 included health professional knowledge transfer and clinical improvement programs, consumer education and awareness activities, quality improvement initiatives, health professional and consumer publications and online content, consumer telephone services, and tools and resources to support health literacy across different health and community settings.

Our focus continues to be on optimising safe and effective use of medicines and medical tests through delivery of integrated, evidence-based and rigorously evaluated programs. During the year we delivered multidisciplinary educational programs on the role of opioids in the management of chronic non-cancer pain, diagnosis and management of paediatric and adult asthma, lower gastrointestinal imaging, dementia and psychotropic medicines and the diagnosis and management of heart failure.

As the steward of quality use of medicines, we strengthened our collaboration and partnerships across the health sector to build collective impact. We continued to strengthen partnerships with key disease-focused organisations (such as the National Heart Foundation) to develop and support our programs and closed formal working-together agreements with the Australian Commission on Safety and Quality in Healthcare, the National Aboriginal Community Controlled Health Organisation (NACCHO) and the Pharmaceutical Society of Australia (PSA). Furthermore, we worked towards closer and enhanced collaborative working relationships with Primary Health Networks (PHNs) at an individual, regional and national level.

In line with our renewed focus on consumers, we have integrated consumers input across our work in accordance with our Consumer Engagement Framework, codesigned with the Consumers Health Forum of Australia (CHF). The collaboration with CHF has resulted in a better understanding of the different healthcare consumer groups and a framework to measure and improve consumer health literacy.

Beyond our core work on behalf of the Commonwealth, we commenced and continued work with partners in areas of innovation and care. These activities included generating data to support antimicrobial surveillance, working on national Indigenous health indicators, and continuing the work on two Value in Prescribing projects to improve use of biologic disease-modifying anti-rheumatic drugs (bDMARDs) and immunoglobulins.

MedicineInsight, with approximately 700 general practices contributing to the unique data set, has consolidated its place as a valuable, validated and robust dataset for insights into general practice in Australia. This year, MedicineInsight data continued to provide insights into general practice including the effects of the bushfires and COVID-19 on healthcare delivery and continues to inform policy and research.

## DIRECTORS' REPORT (Continued)

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### Review of Operations (Continued)

The Choosing Wisely Australia initiative also continued to grow. New resources include 5 questions to ask about using opioids for back pain and osteoarthritis. The first National Choosing Wisely Week (held in March) showcased Choosing Wisely initiatives of Champion Health Services and other supporters.

### Significant Changes in State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

### Matters Subsequent to Reporting Period

National Prescribing Service Limited 100% wholly owned subsidiary, VentureWise Pty Limited was deregistered from Australian Securities & Investments Commission on 11 July 2021.

Other than the matter noted above, no matters or circumstances have arisen since the end of the financial year which have a significant effect on the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### Dividends

Under the terms of NPS MedicineWise's constitution it is not entitled to pay dividends.

No dividends were proposed, declared or paid by VentureWise to NPS MedicineWise during or since the financial year.

### Members' guarantee

NPS MedicineWise is a company limited by guarantee without share capital. In the event of the company being wound up, each member undertakes to contribute an amount not exceeding \$50 to cover costs, charges and expenses of winding up. As at 30 June 2021, there were 46 members of the company (2020: 45).

### Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and Insurance of Directors, Officers and Auditors

#### *Indemnification*

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability to any person who is or has been a Director, officer or auditor of the Company.

#### *Insurance Premiums*

During the financial year the Group has paid premiums in respect of Directors' and officers' liability insurance contracts for the year ended 30 June 2021.

Such insurance contracts insure against certain liability (subject to specified exclusions) to persons who are or have been Directors or executive officers of the Group.

Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid as such disclosure is prohibited under the terms of the insurance contract.

### Court Proceedings

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

## DIRECTORS' REPORT (Continued)

### Court Proceedings (Continued)

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

### Going Concern

The Directors have assessed it is appropriate for the Group to prepare financial statements on a going concern basis. The Company has commenced the final year of its multi-year Quality Use of Medicines Grant funding contract that is due to end on 30 June 2022. At the time of issuing these annual financial statements, negotiations for a multi-year Quality Use of Medicines Grant funding contract beyond 1 July 2022 had not commenced. The Directors and management of the Company will commence discussions with the Commonwealth Department of Health in the coming months with the aim of securing a further multi-year Quality Use of Medicines Grant funding agreement.

The Directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the business impact of not having a grant funding contract beyond 1 July 2022. In response to the uncertainty arising from this, the Directors have considered severe but plausible downside forecast scenarios. These forecasts indicate that, taking account of reasonably possible downsides, the Group is expected to continue to operate, within available cash levels. The forecasts have taken into consideration the relevant assumptions regarding the business, options to change the existing business operating model, legal and contractual restrictions.

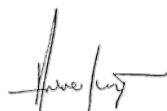
The Directors remain focused on the Group's liquidity and expect to manage business operations in the forecast period whilst maintaining adequate liquidity while negotiating a new multi-year Quality Use of Medicines Grant funding agreement with the Commonwealth Department of Health.

Based on these forecasts, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the Group will meet its financial obligations during the next twelve months.

### Auditor's Independence Declaration

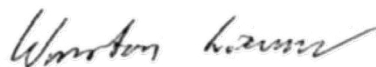
The auditor's independence declaration is included on page 8 of the annual report.

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



**Andrew Knight**

Chair of National Prescribing Service Limited



**Winston Liauw**

Director & Chair of the Audit and Risk Committee

**Dated at Sydney:**  
23<sup>rd</sup> September 2021



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e. [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

### Auditor's Independence Declaration

**To the Responsible Persons' of National Prescribing Service Limited  
ABN 61 082 034 393**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

This declaration is in respect of National Prescribing Service Limited and the entity it controlled during the year.



Melissa Alexander  
Partner

Pitcher Partners  
Sydney

23 September 2021

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners is an association of independent firms.  
An independent New South Wales Partnership. ABN 17 795 790 962. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

|  |      | Group<br>2021      | Group<br>2020      |
|--|------|--------------------|--------------------|
|  | Note | \$                 | \$                 |
| Revenue - <i>operating activities</i>                                    | 4    | 30,390,230         | 33,084,192         |
| Operational Expenses   | 5    | (6,896,692)        | (6,906,547)        |
| Gross Surplus  |      | <u>23,493,538</u>  | <u>26,177,645</u>  |
| Other revenue  | 4    | 658,250            | 267,444            |
| Finance revenue  | 4    | 20,559             | 134,995            |
| Employee Related Costs   | 5    | (21,440,363)       | (23,826,645)       |
| Overheads – Fixed Costs  | 5    | (1,640,165)        | (1,931,804)        |
| Overheads – Variable Costs   | 5    | <u>(1,432,572)</u> | <u>(1,611,568)</u> |
| Net Deficit before Income Tax  |      | <u>(340,753)</u>   | <u>(789,933)</u>   |
| Income Tax Expense   |      | -                  | -                  |
| Deficit for the Year   |      | <u>(340,753)</u>   | <u>(789,933)</u>   |
| Other Comprehensive Deficit  |      | -                  | -                  |
| Items that will not be reclassified subsequently to surplus or (deficit) |      | -                  | -                  |
| Items that may be reclassified subsequently to surplus or (deficit)      |      | -                  | -                  |
| Total comprehensive deficit for the year                                 |      | <u>(340,753)</u>   | <u>(789,933)</u>   |

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

|   |      | Group<br>2021     | Group<br>2020     |
|---|------|-------------------|-------------------|
|   | Note | \$                | \$                |
| <b>ASSETS</b>                           |      |                   |                   |
| Cash and Cash Equivalents               | 7    | 12,105,299        | 9,737,920         |
| Financial Assets                        | 7    | 2,006,833         | 4,000,000         |
| Trade and Other Receivables             | 8    | 500,266           | 477,539           |
| Other Assets                            | 9    | 744,110           | 1,037,240         |
| Total Current Assets                    |      | <u>15,356,508</u> | <u>15,252,699</u> |
| Other Assets                            | 9    | 3,106             | 43,071            |
| Property, Plant and Equipment           | 10   | 538,511           | 837,191           |
| Intangible Assets                       | 10   | 6,126             | 72,528            |
| Right of Use Assets                     | 11   | 1,250,454         | 2,188,302         |
| Total Non-Current Assets                |      | <u>1,798,197</u>  | <u>3,141,092</u>  |
| Total Assets                            |      | <u>17,154,705</u> | <u>18,393,791</u> |
| <b>LIABILITIES</b>                      |      |                   |                   |
| Trade and Other Payables                | 12   | 2,089,487         | 2,947,347         |
| Contract liabilities                    | 12   | 7,695,899         | 6,943,763         |
| Provisions                              | 13   | 2,813,488         | 2,692,878         |
| Lease Liabilities - Right-of-Use Assets | 14   | 971,317           | 922,906           |
| Total Current Liabilities               |      | <u>13,570,191</u> | <u>13,506,894</u> |
| Provisions                              | 13   | 891,123           | 881,437           |
| Lease Liabilities - Right-of-Use Assets | 14   | 332,890           | 1,304,206         |
| Total Non-Current Liabilities           |      | <u>1,224,013</u>  | <u>2,185,643</u>  |
| Total Liabilities                       |      | <u>14,794,204</u> | <u>15,692,537</u> |
| NET ASSETS                              |      | <u>2,360,501</u>  | <u>2,701,254</u>  |
| <b>EQUITY</b>                           |      |                   |                   |
| Retained Earnings                       | 15   | 2,360,501         | 2,701,254         |
| TOTAL EQUITY                            |      | <u>2,360,501</u>  | <u>2,701,254</u>  |

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

|  | Retained<br>Earnings<br>\$ | Total<br>Equity<br>\$ |
|--|----------------------------|-----------------------|
| Balance at 1 July 2019                   | 3,491,187                  | 3,491,187             |
| Total Comprehensive Deficit for the Year |                            |                       |
| Deficit for the Year                     | <u>(789,933)</u>           | <u>(789,933)</u>      |
| Balance at 30 June 2020                  | <u>2,701,254</u>           | <u>2,701,254</u>      |
| Total Comprehensive Deficit for the Year |                            |                       |
| Deficit for the Year                     | <u>(340,753)</u>           | <u>(340,753)</u>      |
| Balance at 30 June 2021                  | <u>2,360,501</u>           | <u>2,360,501</u>      |

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

|  | Note | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|--|------|---------------------|---------------------|
| <i>Cash flows from Operating Activities</i>            |      |                     |                     |
| Receipt of Department of Health funding                |      | 30,390,230          | 30,749,568          |
| Receipts from customers                                |      | 8,331,602           | 9,158,950           |
| Interest received                                      |      | 20,559              | 134,995             |
| Interest paid  |      | -                   | (33,376)            |
| Payments to suppliers & employees                      |      | <u>(37,445,185)</u> | <u>(33,287,800)</u> |
| Net Cash Generated by Operating Activities             | 17   | <u>1,297,206</u>    | <u>6,722,337</u>    |
| <i>Cash flows from Investing Activities</i>            |      |                     |                     |
| Proceeds from investments                              |      | 1,993,167           | (485,760)           |
| Payments for property, plant and equipment             |      | -                   | (689,812)           |
| Proceeds from sale of property, plant and equipment    |      | <u>(90)</u>         | <u>1,721</u>        |
| Net Cash Generated by / (Used in) Investing Activities |      | <u>1,993,077</u>    | <u>(1,173,851)</u>  |
| <i>Cash flows from Financing Activities</i>            |      |                     |                     |
| Repayment of lease liabilities                         |      | <u>(922,904)</u>    | <u>(664,572)</u>    |
| Net Cash Used in Financing Activities                  |      | <u>(922,904)</u>    | <u>(664,572)</u>    |
| Net Increase in Cash Held                              |      | 2,367,379           | 4,883,914           |
| Cash and Cash Equivalents at the Beginning of the Year |      | <u>9,737,920</u>    | <u>4,854,006</u>    |
| Cash and Cash Equivalents at the End of the Year       | 7    | <u>12,105,299</u>   | <u>9,737,920</u>    |

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

**1. Corporate Information**

These financial statements and notes represent those of National Prescribing Service Limited (NPS MedicineWise) for the year ended 30 June 2021 are presented as consolidated financial statements and represent those of the Company and its controlled entity ("the Group"). The Group comprises of the Company, National Prescribing Service Limited and its wholly owned subsidiary VentureWise Pty Limited.

The address of the registered office is Level 7, 418A Elizabeth Street, Surry Hills, NSW 2010.

National Prescribing Service Limited (NPS MedicineWise) enables Australians to make the best decisions about medicines and other medical choices, creating better health and economic outcomes for individuals and the nation.

The consolidated financial statements were authorised for issue by the Directors on 23<sup>rd</sup> September 2021.

**2. Statement of Significant Accounting Policies**

**a) Basis of Preparation**

These consolidated financial statements have been prepared on the basis of historical cost and, except for certain assets which are at valuation, does not take into account changing money values or current valuation of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy to those of the Company and controlled entity, are consistent with those of the previous period.

All amounts are presented in Australian dollars.

The Company is a not-for-profit entity while its wholly owned subsidiary is a for profit entity.

**b) Statement of Compliance**

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, Accounting Standards and Interpretations, and comply with other requirements of the law.

The consolidated financial statements comply with Accounting Standards, which include Australian Accounting Standards. A statement of compliance with IFRS cannot be made due to the application of not-for-profit sector specific requirements contained in the A-IFRS.

**c) Going Concern**

The existing Commonwealth Government funding agreement will expire on 30 June 2022.

The Company will commence discussions with the Department of Health in the coming months with the aim of securing a further multi-year Quality Use of Medicines Grant funding agreement. Projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the business impact of not having a grant funding contract beyond 1 July 2022 has been reviewed by the Directors. In response to the uncertainty arising from this, the Directors have considered severe but plausible downside forecast scenarios. These forecasts indicate that, taking account of reasonably possible downsides, the Group is expected to continue to operate, within available cash levels. The forecasts have taken into consideration the relevant assumptions regarding the business, options to change the existing business operating model, legal and contractual restrictions.

**2. Statement of Significant Accounting Policies (continued)**

**c) Going Concern (continued)**

Based on these forecasts, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the Group will meet its financial obligations during the next twelve months.

**d) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Statement of Significant Accounting Policies (continued)

e) Revenue Recognition

*Grant Funding*

The Group receives grant funding for various programs. When the Group receives government grants that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. In all other cases the transaction is accounted for under AASB 1058 where the income is recognised upon receipt.

Under AASB 15, Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with the customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

*Other revenue from contracts with customers*

Revenue from provision for other services, data provision or development of materials is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

*Interest revenue*

Interest revenue is recognised as it is accrued, taking into account the effective yield financial assets. Interest earned on QUM grant is used to meet the obligations set out in the grant agreements.

f) Contracts balances

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

g) Cash and Cash Equivalents

Cash and term deposits are carried at face value of the amounts deposited or drawn. The carrying amounts of cash and term deposits approximate net fair value. Interest revenue is accrued at the market or contracted rates. Credit risk is minimised as all cash is held with approved financial institutions in accordance with the Group's investment policy.

h) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives commencing from the time assets are held ready for use. Leasehold improvements are depreciated over the estimated useful lives of the improvements. Assets costing less than \$1,000 are depreciated fully in the year of purchase.

2. Statement of Significant Accounting Policies (continued)

h) Property, Plant & Equipment (continued)

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

| Class of Fixed Assets  | Depreciation Rate |
|------------------------|-------------------|
| Leasehold Improvements | Up to 12.50%      |
| Office Equipment       | 25%               |
| Furniture & Fixture    | Up to 20%         |
| Computer Equipment     | 33%               |
| Computer Software      | 40%               |

The estimated useful lives, residual values and depreciation method are reviewed at the year end, with the effect of any changes in estimate accounted for on a prospective basis.

i) Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Lease terms range from one month to sixteen years. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

j) Lease liabilities - right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Statement of Significant Accounting Policies (continued)

**k) Impairment of Financial Assets**

The Group has adopted the expected credit loss model for assessing impairment of financial assets. At each reporting date, the Group accounts for expected credit losses and changes in those credit losses to reflect changes in credit risk since initial recognition.

**l) Trade and Other Receivables**

Debtors are generally settled within 30 days and are carried at amounts due. The collectability of debts is assessed at year end and specific provision is made for any doubtful accounts. The carrying amount of debtors approximates fair value.

The Group has extended an Intercompany Loan facility capped at \$500,000 to its wholly owned subsidiary, VentureWise. Interest on the loan is charged at an arm's length rate calculated as 2% above the current market interest rate.

**m) Trade and Other Payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Trade accounts payable are normally settled within 30 days. The carrying amounts of accounts payable represents net fair value.

**n) Income Tax**

The Company, NPS MedicineWise has obtained an income tax ruling and is tax exempt pursuant to Section 50-B of the Income Tax Assessment Act 1997. The Company's wholly owned subsidiary, VentureWise is subject to Income Tax.

**o) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will result and that out flow can be reliably measured.

**p) Employee Entitlements**

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the Group has a present obligation to pay resulting from employees' services provided up to reporting date.

• *Wages, salaries, and annual leave*

Liabilities for employee benefits for wages, salaries and annual leave is expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.

• *Long Service Leave*

The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using Group of 100 Discount Rate for the purpose of discounting employee benefit liabilities under Australian Accounting Standard 119.

• *Superannuation*

Superannuation contributions by the Group on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Group has no legal obligation to provide benefits to employees on retirement.

2. Statement of Significant Accounting Policies (continued)

**q) Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and subsequent measurement of financial assets*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Interest income is recognised using the effective interest method.

**r) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

**s) Adoption of new and revised Accounting Standards**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the current year. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**t) Standards and interpretations in issue not yet adopted**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The company has decided not to early adopt any of these new and amended pronouncements. Management has assessed that none of these standards will have a material impact on the Group's financial statements in the period of initial application.



2. Statement of Significant Accounting Policies (continued)

**u) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Revenue recognition**

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Group has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Group has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Group has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

**Estimation of useful lives of assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Employee benefits provision**

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through inflation have been taken into account.

**Lease term**

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the term of funding agreement with the Commonwealth Government; the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

2. Statement of Significant Accounting Policies (continued)

**u) Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

3. Financial Risk Management

**Overview**

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Board's objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout the financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the risk management framework.

The Group manages and monitors its credit risk, liquidity risk and market risk through the use of an investment mandate established by the Board of Directors, which provides limits and targets on investment activities. Regular reports are provided to the Chief Executive Officer and Audit and Risk Committee of the Group on investment activities and liquidity position including where threshold triggers have been activated and remedial actions have been undertaken.

**Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's sundry receivables.

The Group's exposure to Trade and Other Receivables credit risk is influenced mainly by the individual characteristics of each party.

The Group has no provision to cover potential losses that may arise from impairment of the Trade and Other Receivable balances.

The Group limits its exposure to investment credit risk by only investing in liquid securities with major financial institutions. Given their high credit ratings management does not expect any counterparty to fail to meet its obligations.

**Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. Financial Risk Management (continued)

Typically, the Group ensures that operational liquidity is maintained, at all times at levels equivalent to normal operating expenditure for three months, so it can meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Market Risk**

The investment policy aims to minimise exposure to market risk such as fluctuations in interest rates, which will affect the value of the financial instruments. Investments are held until maturity and maintained in the accounts on a historical cost basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|---|---------------------|---------------------|
| <b>4 Revenue</b>                            |                     |                     |
| <i>Operating Activities</i>                 |                     |                     |
| Department of Health funds                  | 23,847,980          | 26,250,682          |
| Other revenue from contracts with customers | 6,542,250           | 6,833,510           |
|   | <u>30,390,230</u>   | <u>33,084,192</u>   |
| <i>Other Revenue</i>                        |                     |                     |
| Expense recovery                            | 13,450              | 1,444               |
| COVID-19 government support                 | 644,800             | 266,000             |
|   | <u>658,250</u>      | <u>267,444</u>      |
| <i>Finance Revenue</i>                      |                     |                     |
| Interest on bank deposits                   | 20,559              | 134,995             |
|   | <u>20,559</u>       | <u>134,995</u>      |

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary market, major products and service lines and timing of revenue recognition.

|   | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|---|---------------------|---------------------|
| <b>Disaggregated by primary markets</b> |                     |                     |
| Government                              | 29,765,527          | 30,955,724          |
| Health Insurance                        | 368,027             | 430,627             |
| Primary Health Networks & Hospitals     | 36,875              | 312,628             |
| University & Research Institution       | 205,946             | 289,413             |
| Commercial Company                      | 13,855              | 1,095,800           |
|   | <u>30,390,230</u>   | <u>33,084,192</u>   |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | Group<br>2021<br>\$          | Group<br>2020<br>\$          |
|---|------------------------------|------------------------------|
| <b>Disaggregated by major products/ services</b>      |                              |                              |
| Service   | 30,060,819                   | 32,398,881                   |
| Data provision  | 129,285                      | 487,448                      |
| Consumer mobile App                                   | 185,667                      | 124,251                      |
| Training materials                                    | 14,459                       | 73,612                       |
|   | <u>30,390,230</u>            | <u>33,084,192</u>            |
|   | <u>Group<br/>2021<br/>\$</u> | <u>Group<br/>2020<br/>\$</u> |
| <b>Disaggregated by timing of revenue recognition</b> |                              |                              |
| At a point in time                                    | 129,285                      | 487,448                      |
| Over time   | 30,260,945                   | 32,596,744                   |
|   | <u>30,390,230</u>            | <u>33,084,192</u>            |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|---|---------------------|---------------------|
| <b>5 (Deficit) for the Year</b>   |                     |                     |
| The deficit before income tax expense has been determined after crediting/charging the following items of income and expense. |                     |                     |
| <i>Operational Expenses</i>   |                     |                     |
| Travel  | 42,001              | 332,455             |
| Computers - Note 1  | 752,690             | 1,017,426           |
| Consumables   | 2,064               | 2,418               |
| Communications  | 58,371              | 32,173              |
| Data Processing, Printing and Distribution - Note 2   | 1,186,394           | 659,101             |
| Support services  | 455,129             | 362,543             |
| Public affairs management   | 144,960             | 147,625             |
| Contracts (including partners in program delivery)  | 567,738             | 676,646             |
| Grants  | -                   | 672                 |
| Fees (consultant fees and overheads distribution)   | 3,687,345           | 3,675,488           |
|   | <u>6,896,692</u>    | <u>6,906,547</u>    |
| <i>Employee Related Costs</i>   |                     |                     |
| Wages – Note 3  | 19,118,433          | 21,014,036          |
| Superannuation – Note 3   | 2,223,727           | 2,483,897           |
| On costs – Note 3   | 98,203              | 328,712             |
|   | <u>21,440,363</u>   | <u>23,826,645</u>   |

Note 1: reclassification of MedicineInsight maintenance costs between computer and data costs  
 Note 2: reclassification of MedicineInsight maintenance costs between computer and data costs  
 Note 3: increase of operating efficiency from organisation re-structure

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| <b>5 (Deficit) for the Year (continued)</b>      |                  |                  |
| <i>Overheads – Fixed Costs</i>                   |                  |                  |
| Premises   | 108,455          | 479,511          |
| Administration                                   | 144,829          | 190,190          |
| Insurances                                       | 58,044           | 150,514          |
| Depreciation and Amortisation (i)                | 1,328,837        | 1,111,589        |
|  | <u>1,640,165</u> | <u>1,931,804</u> |
| <i>Overheads – Variable Costs</i>                |                  |                  |
| Travel   | 10,988           | 108,733          |
| Computers  | 755,001          | 813,092          |
| Consumables                                      | 3,844            | 74,192           |
| Communications                                   | 77,662           | 103,854          |
| Distribution                                     | 1,931            | 4,224            |
| Printing & design                                | 17,519           | 24,236           |
| Support services                                 | 162,382          | 122,374          |
| Public relations & media                         | -                | 1,990            |
| Entertainment                                    | 7,987            | 14,673           |
| Financial charges and interest on lease contract | 8,980            | 33,376           |
| Fees (consultant fees and others)                | 342,638          | 309,461          |
| Fringe benefits tax                              | 769              | 1,363            |
| Tax expenses                                     | 42,871           | -                |
|  | <u>1,432,572</u> | <u>1,611,568</u> |
| Rental Expenses on short term leases             | <u>67,670</u>    | <u>347,100</u>   |
| (i) Depreciation and Amortisation                |                  |                  |
| Furniture & fittings                             | 35,151           | 30,003           |
| Office equipment                                 | 57,250           | 59,756           |
| Leasehold improvements                           | 45,112           | 44,134           |
| Computer equipment                               | 159,433          | 196,776          |
| Computer software                                | 1,643            | 11,137           |
| Intangible Assets - Software                     | 66,401           | 66,401           |
| Right-of-use Assets                              | 937,848          | 703,382          |
|  | <u>1,302,838</u> | <u>1,111,589</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|---|---------------------|---------------------|
| <b>6 Auditor's Remuneration</b>   |                     |                     |
| Auditing the financial report   |                     |                     |
| Auditors of the company – Pitcher Partners  | 60,000              | -                   |
| Prior years auditors of the company – Deloitte  | 20,828              | 86,273              |
|   | <u>80,828</u>       | <u>86,273</u>       |
| <b>7 Cash and Cash Equivalents</b>  |                     |                     |
| Cheque account  | 7,105,034           | 7,142,573           |
| Business investment account   | 4,000,265           | 1,095,347           |
| Term deposits – term below 3 months   | 1,000,000           | 1,500,000           |
|   | <u>12,105,299</u>   | <u>9,737,920</u>    |
| <b>Financial Assets</b>   |                     |                     |
| Term deposits – term over 3 months  | 2,006,833           | 4,000,000           |
|   | <u>2,006,833</u>    | <u>4,000,000</u>    |
| The effective interest rate on bank term deposits was 0.22% (2020: 1.53%). These deposits have an average maturity of 102.8 days. |                     |                     |
|   | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
| <b>8 Trade and Other Receivables</b>  |                     |                     |
| Interest Receivable   | 2,658               | 14,752              |
| Accounts Receivable   | 497,608             | 462,787             |
|   | <u>500,266</u>      | <u>477,539</u>      |
| No allowance has been made for expected credit loss for the current year (2021: \$nil).   |                     |                     |
|   | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
| <b>9 Other Assets</b>   |                     |                     |
| <i>Current</i>  |                     |                     |
| Prepayments - other   | 744,110             | 1,037,240           |
|   | <u>744,110</u>      | <u>1,037,240</u>    |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|---|---------------------|---------------------|
| <b>9 Other Assets</b>                                 |                     |                     |
| <i>Non-Current</i>                                    |                     |                     |
| Income Tax Refundable                                 | -                   | 42,871              |
| Security deposit – lease Canberra                     | 2,906               | -                   |
| Security deposit – other                              | 200                 | 200                 |
|   | <u>3,106</u>        | <u>43,071</u>       |
| <b>10 Property, Plant &amp; Equipment Non-current</b> |                     |                     |
| Furniture & fittings - at cost                        | 178,281             | 178,281             |
| Accumulated depreciation                              | (72,813)            | (37,662)            |
|   | <u>105,468</u>      | <u>140,619</u>      |
| Computer equipment – at cost                          | 533,299             | 837,432             |
| Accumulated depreciation                              | (348,633)           | (493,242)           |
|   | <u>184,666</u>      | <u>344,190</u>      |
| Office equipment – at cost                            | 227,437             | 227,437             |
| Accumulated depreciation                              | (167,049)           | (109,799)           |
|   | <u>60,388</u>       | <u>117,638</u>      |
| Leasehold improvements – at cost                      | 290,967             | 290,967             |
| Accumulated depreciation                              | (104,387)           | (59,275)            |
|   | <u>186,580</u>      | <u>231,692</u>      |
| Computer software – at cost                           | 102,362             | 102,362             |
| Accumulated depreciation                              | (100,953)           | (99,310)            |
|   | <u>1,409</u>        | <u>3,052</u>        |
|   | <u>538,511</u>      | <u>837,191</u>      |
| <b>Intangible Assets</b>                              |                     |                     |
| Intangible Assets – software – at cost                | 166,003             | 166,003             |
| Accumulated depreciation                              | (159,877)           | (93,475)            |
|   | <u>6,126</u>        | <u>72,528</u>       |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|                                      | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|--------------------------------------|---------------------|---------------------|
| <b>11 Right-of-use - Non-current</b> |                     |                     |
| <b>Right-of-use assets</b>           |                     |                     |
| Right-of-use assets – at cost        | 2,891,684           | 2,891,684           |
| Accumulated depreciation             | (1,641,230)         | (703,382)           |
|                                      | <u>1,250,454</u>    | <u>2,188,302</u>    |

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment and right-of-use assets between the beginning and end of the current financial year

|   | <i>Furniture<br/>&amp; fittings</i> | <i>Computer<br/>Equipment</i> | <i>Office<br/>Equipment</i> | <i>Leasehold<br/>Improvements</i> | <i>Computer<br/>Software</i> | <i>Intangible<br/>Assets</i> | <i>Right-of-<br/>use assets</i> | <b>Total</b>       |
|---|-------------------------------------|-------------------------------|-----------------------------|-----------------------------------|------------------------------|------------------------------|---------------------------------|--------------------|
| <b>Balance at the beginning of year</b>       | 140,619                             | 344,190                       | 117,638                     | 231,692                           | 3,052                        | 72,528                       | 2,188,302                       | <b>3,098,020</b>   |
| <b>Additions</b>                              | -                                   | -                             | -                           | -                                 | -                            | -                            | -                               | -                  |
| <b>Disposals</b>                              | -                                   | (91)                          | -                           | -                                 | -                            | -                            | -                               | <b>(91)</b>        |
| <b>Depreciation expense</b>                   | (35,151)                            | (159,433)                     | (57,250)                    | (45,112)                          | (1,643)                      | (66,401)                     | (937,848)                       | <b>(1,302,838)</b> |
| <b>Carrying amount at the end of the year</b> | <u>105,468</u>                      | <u>184,666</u>                | <u>60,388</u>               | <u>186,580</u>                    | <u>1,409</u>                 | <u>6,127</u>                 | <u>1,250,454</u>                | <b>1,795,091</b>   |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|                                     | Group<br>2021<br>\$          | Group<br>2020<br>\$          |
|-------------------------------------|------------------------------|------------------------------|
| <b>12 Trade and Other Payables</b>  |                              |                              |
| Trade creditors                     | 875,318                      | 1,552,842                    |
| Accruals                            | 628,463                      | 892,123                      |
| Superannuation payable              | 193,211                      | 218,322                      |
| Net GST liability                   | 368,835                      | 284,060                      |
| Contract liabilities (i)            | 7,695,899                    | 6,943,763                    |
| PAYG payable                        | 23,660                       | -                            |
|                                     | <u>9,785,386</u>             | <u>9,891,110</u>             |
|                                     | <u>Group<br/>2021<br/>\$</u> | <u>Group<br/>2020<br/>\$</u> |
| (i) Contract liabilities            |                              |                              |
| Department of Health Prepaid income | 4,225,275                    | 1,734,844                    |
| Other Prepaid income                | 3,470,624                    | 5,208,919                    |
|                                     | <u>7,695,899</u>             | <u>6,943,763</u>             |

The average credit period on purchases of goods is 30 days. No interest is charged on overdue payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|                                       | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|---------------------------------------|---------------------|---------------------|
| <b>13 Provisions</b>                  |                     |                     |
| <i>Current</i>                        |                     |                     |
| Provision for annual leave            | 1,762,518           | 1,770,495           |
| Provision for long service leave      | 1,048,064           | 899,561             |
| Provision for lease restoration costs | 2,906               | 22,822              |
|                                       | <u>2,813,488</u>    | <u>2,692,878</u>    |
| <i>Non-Current</i>                    |                     |                     |
| Provision for lease restoration costs | 148,000             | 148,000             |
| Provision for long service leave      | 743,123             | 733,437             |
|                                       | <u>891,123</u>      | <u>881,437</u>      |

The provision for lease restoration costs was re-valued using market-based estimations of make-good liabilities that may be incurred at termination of lease.

**14 Lease liabilities - Right-of-Use Assets**

|   |                |                  |
|---|----------------|------------------|
| <i>Current</i>                          |                |                  |
| Lease Liabilities - Right-of-Use Assets | 971,317        | 922,906          |
|   | <u>971,317</u> | <u>922,906</u>   |
| <i>Non-Current</i>                      |                |                  |
| Lease Liabilities - Right-of-Use Assets | 332,890        | 1,304,206        |
|   | <u>332,890</u> | <u>1,304,206</u> |

Lease Liabilities - the Group leases three offices in Australia. These leases run for between one and sixteen years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|--|---------------------|---------------------|
| <b>15 Retained Earnings</b>                    |                     |                     |
| Balance at the beginning of the financial year | 2,701,254           | 3,491,187           |
| Deficit for the year                           | (340,753)           | (789,933)           |
| Balance at the end of the financial year       | <u>2,360,501</u>    | <u>2,701,254</u>    |

**16 Members Guarantees**

The Group is limited by guarantee. In the event of winding-up, the Group Constitution requires each member to contribute a maximum of \$50 towards meeting any outstanding obligations of the Group. The number of members as at 30 June 2021 was 46 (2021: 45).

**17 Cash flow Information**

For the purpose of the consolidated Statement of Cash Flows, cash includes cash on hand and in financial institutions.

Reconciliation of net cash provided by operating activities to (deficit)/surplus for the year:

|  | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|--|---------------------|---------------------|
| Deficit for the year                                       | (340,753)           | (789,933)           |
| Depreciation and amortisation                              | 1,302,838           | 1,111,589           |
| <i>Changes in Working Capital: assets and liabilities:</i> |                     |                     |
| (Increase)/ Decrease in trade and other receivables        | (22,727)            | 2,486,541           |
| Increase/(Decrease) in other assets                        | 333,094             | (412,501)           |
| (Decrease)/Increase in trade and other payables            | (105,544)           | 21,882              |
| Increase in contract liabilities                           | -                   | 4,070,341           |
| Increase in provisions                                     | 130,298             | 234,418             |
| Net cash generated by operating activities                 | <u>1,297,206</u>    | <u>6,722,337</u>    |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**18 Key management personnel disclosures**

The key management personnel of the Group include the Directors as disclosed in the Directors' Report. They are responsible for the planning, directing and controlling the Group's activities. The following information relates to the remuneration paid to Directors as Directors Fees, and otherwise.

|  | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|--|---------------------|---------------------|
| Transactions with key management personnel   |                     |                     |
| <b>Key Management Personnel Compensation</b> |                     |                     |
| Short-term employee benefits                 | 230,236             | 331,670             |
|  | <u>230,236</u>      | <u>331,670</u>      |

**19 Economic Dependency**

The Group's ongoing operations are dependent on continuation of existing contractual arrangements with the Australian Government Department of Health, which is based on the existing terms of the grant contract for the period of 1 January 2021 to 30 June 2022.

**20 Segment Information**

The Group's main activity is to operate as a not-for-profit Group that works in partnership with health professionals, Government, industry and consumers to promote Quality Use of Medicine that will lead to better health for Australians.

**21 Capital and Leasing Commitments**

Lease and Other Contractual Commitments:

This includes non-cancellable short-term leases contracted for and other contractual commitments but not capitalised in the accounts:

|  | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|--|---------------------|---------------------|
| Payable:                                     |                     |                     |
| Not later than one year                      | 1,264,131           | 4,006,936           |
| Later than one but not later than five years | -                   | 675,789             |
|  | <u>1,264,131</u>    | <u>4,682,725</u>    |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22 Financial Instruments

a) Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at reporting date was:

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

Impairment losses

None of the Group's receivables are past due. No impairment losses were recognised during the year.

b) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2021

|                                      | Carrying<br>amount<br>\$ | 6 months or<br>less<br>\$ |
|--------------------------------------|--------------------------|---------------------------|
| Non-derivative financial liabilities |                          |                           |
| Trade and other payables             | 2,089,487                | 2,089,487                 |
| Contract liabilities                 | 7,695,899                | 7,695,899                 |
|                                      | <u>9,785,386</u>         | <u>9,785,386</u>          |

30 June 2020

|                                      | Carrying<br>amount<br>\$ | 6 months or<br>less<br>\$ |
|--------------------------------------|--------------------------|---------------------------|
| Non-derivative financial liabilities |                          |                           |
| Trade and other payables             | 2,947,347                | 2,947,347                 |
| Contract liabilities                 | 6,943,763                | 6,943,763                 |
|                                      | <u>9,891,110</u>         | <u>9,891,110</u>          |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22 Financial Instruments (continued)

c) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities are as follows:

|                                  | Group<br>2021<br>\$ | Group<br>2020<br>\$ |
|----------------------------------|---------------------|---------------------|
| <b>Fixed rate instruments</b>    |                     |                     |
| Financial assets                 | 3,006,833           | 5,500,000           |
|                                  | <u>3,006,833</u>    | <u>5,500,000</u>    |
| <b>Variable rate instruments</b> |                     |                     |
| Financial assets                 | 11,105,298          | 8,237,920           |
|                                  | <u>11,105,298</u>   | <u>8,237,920</u>    |

Fair value sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have increased the Group's equity and profit by \$111,053 (2020: \$82,379).

23 Related Party Transactions

a) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 18 to the financial statements.

b) Transactions with other related parties

National Prescribing Service Limited is a not-for-profit charity and does not distribute dividends to any members at any time and, on the winding up of the organisation, any remaining assets are required to be transferred to a similar not-for-profit entity.

No dividends were proposed, declared or paid by VentureWise, NPS MedicineWise's 100% wholly owned subsidiary, during or since the financial year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**23 Related Party Transactions (continued)**

During 2021-20 financial year, following intercompany transactions incurred between NPS MedicineWise and VentureWise and they were eliminated on consolidation in the Group financial statements:

- o VentureWise commissioned \$179,751 of services to NPS MedicineWise and paid NPS MedicineWise \$179,751 for these services.
- o Intercompany Loan facility between NPS MedicineWise and VentureWise was \$398,207 for the year ended 30 June 2021 (2020: \$398,207).
- o Intercompany charges of \$147,985 to VentureWise from NPS MedicineWise for recovery of overheads staff time and insurance.
- o VentureWise paid \$7,085 of Interest to MedicineWise on using the Intercompany Loan facility.

**24 Parent Entity Information**

The following information relates to the parent entity, National Prescribing Service Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 2.

|   | Company<br>2021<br>\$ | Company<br>2020<br>\$ |
|---|-----------------------|-----------------------|
| Current Assets                          | 15,756,605            | 15,419,366            |
| Non-Current Assets                      | 1,798,198             | 3,098,220             |
| Total Assets                            | <u>17,554,803</u>     | <u>18,517,586</u>     |
| Current Liabilities                     | 13,602,570            | 13,267,735            |
| Non-Current Liabilities                 | 1,224,013             | 2,185,642             |
| Total Liabilities                       | <u>14,826,583</u>     | <u>15,453,377</u>     |
| Net Assets                              | <u>2,728,220</u>      | <u>3,064,209</u>      |
| Retained Earnings                       | 2,728,220             | 3,064,209             |
| Total Equity                            | <u>2,728,220</u>      | <u>3,064,209</u>      |
| Deficit for the Year                    | (335,869)             | (677,936)             |
| Other Comprehensive Income for the Year | -                     | -                     |
| Total Comprehensive Income for the Year | <u>(335,869)</u>      | <u>(677,936)</u>      |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**25 Subsequent Events**

National Prescribing Service Limited 100% wholly owned subsidiary, VentureWise Pty Limited was deregistered from Australian Securities & Investments Commission on 11 July 2021.

Other than the matter noted above, no matters or circumstances have arisen since the end of the financial year which have a significant effect on the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**26 Group Details**

The registered office of the Group is:  
Level 7, 418A Elizabeth Street  
Surry Hills, NSW 2010

The Group Secretary is:  
Ms Kerry-Ann Aitken  
Outsourcedlaw  
119 Willoughby Road  
Crows Nest NSW 2065

The Group's Auditors are:  
Pitcher Partners  
Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000, Australia

The principal places of business of the Group are:

Sydney:  
National Prescribing Service Limited (NPS MedicineWise)  
Level 7, 418A Elizabeth Street,  
Surry Hills NSW 2010

Canberra:  
National Prescribing Service Limited (NPS MedicineWise)  
C/O Regus, 15 Moore Street  
Canberra ACT 2601

Melbourne:  
National Prescribing Service Limited (NPS MedicineWise)  
C/O Inspire9, Level 1, 41- 43 Stewart Street  
Richmond VIC 3121

## RESPONSIBLE PERSONS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the Directors



**Andrew Knight**

Chair of National Prescribing Service Limited



**Winston Liaw**

Director & Chair of the Audit and Risk Committee

Dated at Sydney: 23<sup>rd</sup> September 2021



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**Independent Auditor's Report  
To National Prescribing Service Limited  
ABN 61 082 034 393**

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of National Prescribing Service Limited, "the Registered Entity" and its controlled entity "the Consolidated Entity", which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of National Prescribing Service Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Directors' Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other

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**Independent Auditor's Report  
To National Prescribing Service Limited  
ABN 61 082 034 393**



information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Responsible persons for the Financial Report*

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible persons determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible persons are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible persons either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible persons.
- Conclude on the appropriateness of the responsible persons' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**Independent Auditor's Report  
To National Prescribing Service Limited  
ABN 61 082 034 393**



- Obtain sufficient appropriate evidence regarding the financial information of the entity or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Melissa Alexander*

Melissa Alexander  
Partner

23 September 2021

*Pitcher Partners*

Pitcher Partners  
Sydney



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