

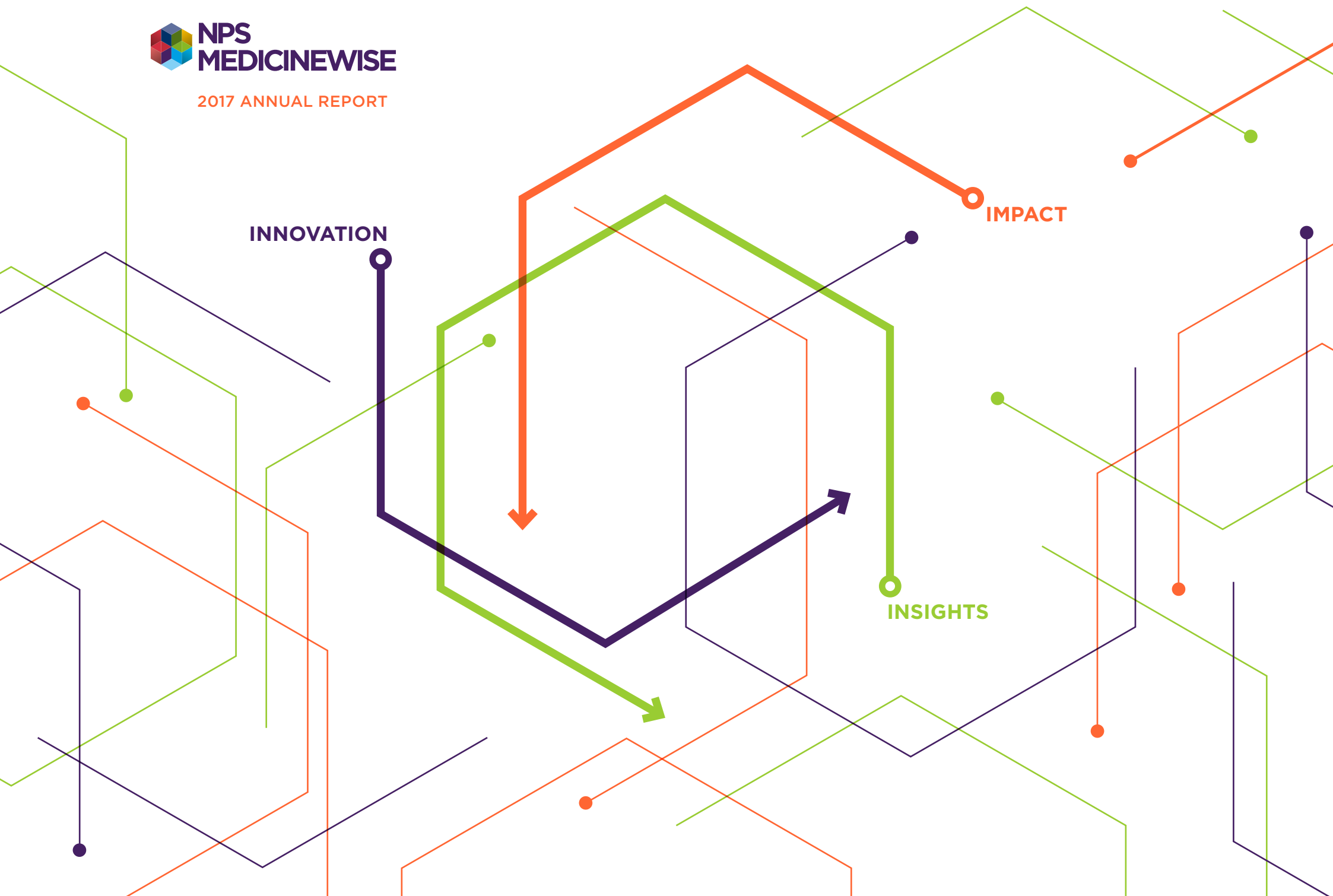



2017 ANNUAL REPORT

INNOVATION

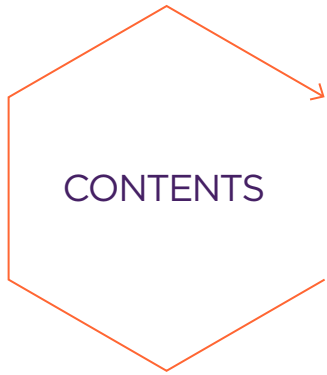
IMPACT

INSIGHTS





Our mission is to enable the best decisions about medicines, health technologies and other health choices for better health and economic outcomes.



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## WHO WE ARE

NPS MedicineWise is an independent, not-for-profit, and evidence-based Australian organisation.

## WHAT WE DO



## OUR MEMBER ORGANISATIONS

Our member organisations have a vested interest in and commitment to the quality use of medicines and medical tests and represent general practitioners, pharmacists, specialists, nurses, other health professionals, the pharmaceutical industry, government and the Australian community.

- ▶ Asthma Australia
- ▶ Australian Association of Consultant Pharmacy (AACP)
- ▶ Australasian Medical Writers Association (AMWA)
- ▶ Australasian Society of Clinical and Experimental Pharmacologists and Toxicologists (ASCEPT)
- ▶ Australian and New Zealand College of Anaesthetists (ANZCA)
- ▶ Australian College of Nursing (ACN)
- ▶ Australian College of Nurse Practitioners (ACNP)
- ▶ Australian College of Rural and Remote Medicine (ACRRM)
- ▶ Australian Council of Social Service (ACOSS)
- ▶ Australian Dental Association (ADA)
- ▶ Australian Government Department of Health
- ▶ Australian Government Department of Veterans' Affairs
- ▶ Australian Healthcare & Hospitals Association (AHHA)
- ▶ Australian Medical Association (AMA)
- ▶ Australian Nursing and Midwifery Federation (ANMF)
- ▶ Australian Pensioners and Superannuants Federation
- ▶ Australian Primary Health Care Nurses Association (APNA)
- ▶ Australian Private Hospitals Association
- ▶ Australian Self-Medication Industry (ASMI)
- ▶ Carers Australia
- ▶ Chronic Illness Alliance
- ▶ Consumers Health Forum of Australia (CHF)
- ▶ Council on the Ageing (COTA)
- ▶ Diabetes Australia
- ▶ Federation of Ethnic Communities' Councils of Australia (FECCA)
- ▶ Generic and Biosimilar Medicines Association
- ▶ Health Consumers of Rural and Remote Australia (HCRRA)
- ▶ Health Education Australia Limited (HEAL)
- ▶ Lung Foundation Australia
- ▶ Medical Software Industry Association (MSIA)
- ▶ Medicines Australia
- ▶ National Aboriginal Community Controlled Health Organisation (NACCHO)
- ▶ National Asthma Council of Australia
- ▶ National Heart Foundation of Australia
- ▶ NSW Therapeutic Advisory Group Inc. (NSW TAG)
- ▶ Optometrists Association Australia
- ▶ Palliative Care Australia
- ▶ Pharmaceutical Society of Australia (PSA)
- ▶ Pharmacy Guild of Australia
- ▶ Royal Australasian College of Physicians (RACP)
- ▶ Royal Australian College of General Practitioners (RACGP)
- ▶ Royal Australian and New Zealand College of Psychiatrists (RANZCP)
- ▶ Royal Australian and New Zealand College of Radiologists (RANZCR)
- ▶ Royal College of Pathologists of Australasia (RCPA)
- ▶ Rural Doctors Association of Australia (RDAA)
- ▶ Society of Hospital Pharmacists of Australia (SHPA)
- ▶ Therapeutic Guidelines Ltd

## INSIGHTS

Our insights inform quality improvement and population health outcomes. We conduct extensive research, work collaboratively with experts and draw on the evidence base and our extensive large-scale data program to inform better decisions.

## INNOVATION

We ensure our work remains at the forefront of quality use of medicines, tests and health devices by being responsive to the environment and developing innovative solutions as new technologies and other challenges emerge.

## IMPACT

We vigorously evaluate our programs and initiatives to demonstrate their impact from a quality of care and sustainability perspective. Our findings inform our work.

## CHAIR'S REPORT

Message from  
Mr Peter Turner



With strong foundations in the quality use of medicines and other health technologies, NPS MedicineWise is an innovative change leader providing objective, evidence-based products and services for optimal health choices. This work drives improved health and wellbeing for consumers, with productivity and economic gains for government, business and taxpayers.

NPS MedicineWise products and services continue to be highly utilised in primary care, with 27,995 educational visits to health professionals delivered in the financial year. Our Clinical Services Specialists are highly valued training providers for health professionals. Over 7 million Australians are aware of NPS MedicineWise and our Medicines Line phone service received 8,360 calls during the year. Our website continues to be popular with 13 million visits in the financial year.

Our *MedicineInsight* primary care clinical data program has grown to 640 participating general practices involving over 4,200 general practitioners and 4.5 million (encrypted) active patient records. Using the insights into primary health practice, quality improvement programs are developed and delivered by NPS MedicineWise. These insights are also used by policymakers, regulators, health systems and health professionals to support evidence-based health policy, safe use of new medicines and post-marketing surveillance of medicine use.

In May this year, NPS MedicineWise hosted the inaugural *Choosing Wisely Australia*<sup>®</sup> National Meeting. Over 200 stakeholders attended, including clinicians, consumers, colleges, health service representatives, policy makers and payers. *Choosing Wisely* promotes five questions patients need to ask their doctor/health care provider to make sure they end up with the right care. This initiative continues to grow and now involves the majority of medical colleges.

## ...to drive initiatives for improved health for all Australians.

Our commercial subsidiary VentureWise continues to expand its products and services for pharmaceutical companies, health insurance funds and commercial partners. Its appeal to the sector is its ability to effect positive changes for the benefit of their customers. VentureWise's strict protocols around independence, arm's length ethics approvals and full editorial control of content provides unbiased evidence for consumers and health professionals.

The delivery of health services is fragmented and interconnectivity is essential if patient care and records are to be optimised. Stakeholders need to work together for improved utilisation of our healthcare resources.

NPS MedicineWise supports initiatives like My Health Record, the MBS Review and Health Care Homes. We continue to expand our collaboration with Primary Health Networks.

In May this year we farewelled board member Dr Christine Walker and welcomed Ms Jennifer Morris. Our thanks to Christine for her far-reaching contribution particularly from the viewpoint of consumers over 6 years. Jennifer has a background in science communication, health technology assessments and consumer representation. We look forward to her contribution.

Under the leadership of Dr Lynn Weekes, NPS MedicineWise continues to drive initiatives for improved health for all Australians. Our staff's expertise and dedication is our greatest strength.

My thanks to the NPS MedicineWise and VentureWise management and staff, my fellow directors, our members, government, consumers and industry for your continued support.

A handwritten signature in black ink, appearing to read 'Peter Turner'. The signature is fluid and cursive, written on a white background.

## CHIEF EXECUTIVE'S REPORT

Message from  
Dr Lynn Weekes



In health we are always striving to do more, to do it better and to deliver the best results and at NPS MedicineWise we were able to tick all those boxes in 2016–17. From health insights generated through *MedicineInsight*, to services in general practice, to support for self-management by consumers, we have evolved our products and services to continue to deliver maximum impact.

### Insights leading operations

It was exciting in 2016–17 to routinely use insights from general practice, via *MedicineInsight*, to directly inform our therapeutic programs.

Diabetes and chronic lung disease continue to place a high burden on the nation's health and new treatments and guidelines provided an opportunity to revisit these topics with primary care professionals. Both topics were extremely popular, achieving record numbers of primary care professional visits, highlighting the importance of keeping topics fresh as new information and treatment options emerge. Supporting appropriate referrals for knee and ankle imaging was the focus of our diagnostic program and we rounded out the year with a new program on cardiovascular risk factors, including use of statins.

And, as always, we remain committed to reducing the inappropriate use of antimicrobials in primary care and were excited to see the first evidence of falling prescribing trends in general practice and better understanding of antibiotic resistance by consumers this year.

### Innovation, co-design and collaboration

We take pride in delivering high quality solutions. To ensure we sustain a high quality and continually improve to meet the changing expectations of our customers, this year we successfully obtained ISO9001:2015 standard certification.

Collaboration is a value we take seriously and it has been very pleasing to re-establish links this year with Aboriginal and Torres Strait Islander communities to assess the ongoing value of our *Good Medicines Better Health* program. This has provided an opportunity to update the original co-design of this product so that it is fit for purpose now and in the future.

Facilitation of *Choosing Wisely Australia*<sup>®</sup> continues to support growth of the movement in Australia. The initiative now includes 32 members, comprised of colleges, societies and associations (80% of medical colleges), and has demonstrated strong results in its first two years.

This year I've seen a significant shift to co-design of therapeutic programs and other health solutions. The evolution in *MedicineInsight* data visualisation was developed in partnership with trial practices and PHNs. More generally we have worked with PHNs to explore how we can best add value for them and avoid duplication by sharing resources.

By building new relationships we have expanded our reach to solve new challenges in areas of unmet need. During the year our customer base has continued to expand (for us and via our commercial subsidiary, VentureWise). Notable projects included providing health data insights to support implementation of a new integrated model of care for patients with diabetes and a pilot program to train pharmacists to deliver shared care with GPs for chronic disease management.

We have taken the first steps in working more with medical specialists and collaborated with rheumatologists to enhance quality use of medicines in rheumatoid arthritis. Traditional therapies, as well as biologics and biosimilars, have come into play as we consider the evidence in this area — the start of our journey to support decisions about more complex and individualised therapies.

It has been exciting this year to work closely with consumers on a range of projects, including design of the *MedicineWise* app and its next feature set, and understanding how consumers expect and want us to use *MedicineInsight* data. This has involved working directly with individuals as well as close collaborations with Consumers Health Forum.

### Impact for improved health and economic outcomes

During this financial year, evaluation of our work found that our therapeutic programs contributed to \$73.65 million of savings for the Pharmaceutical Benefits Scheme (PBS) and \$22.58 million for the Medicare Benefits Schedule (MBS). A cost benefit analysis of our 2014 Asthma program found that for every dollar spent on the program, \$2.44 was gained in monetary benefit.

Next year we will celebrate our 20 year anniversary: two decades of making a difference in health for Australians. Over that time much has changed — technologies, access to data and transparency of how well the health sector is performing — and NPS MedicineWise has kept pace with these changes to stay relevant and effective. At the same time, we have held firmly to our core as this is what ensures we deliver on our mission — having consumers at the centre and being evidence-based and independent ensures we can focus on high value care that delivers quality outcomes for our customers.

A handwritten signature in black ink, reading "Lynn Weekes".



## HIGHLIGHTS FROM THE YEAR

### IMPROVED EFFICIENCY AND EFFECTIVENESS OF GOVERNMENT HEALTH EXPENDITURE

**\$2.18**  
RETURNED

for every \$1 invested

**\$196M**  
SAVINGS

over 2 years

*Over the period 2013-14 to 2014-15, as found by Ernst & Young evaluation conducted in the 2016-2017 financial year.*

### CONSUMERS SUPPORTED AND EMPOWERED TO MAKE BETTER HEALTH DECISIONS

**13M**  
website visits

**8,354**  
calls to Medicines Line



NPS MedicineWise consumer-targeted initiatives



Improved health and economic outcomes



Improved individual health literacy



Empowered consumer

### MEDICINEINSIGHT: PROVIDING A UNIQUE INSIGHT INTO GENERAL PRACTICE

- ▶ only longitudinal data collection of general practice in Australia
- ▶ unique insight into primary health practice

**4,200** GPs

**640**

general practices

**4.5M**

active patients

Nationwide, covers all states and territories in Australia

### SUPPORTING THE DEVELOPMENT AND IMPLEMENTATION OF EVIDENCE-BASED POLICY

- ▶ extensive formative research provides a unique insight into issues and gaps in the health sector
- ▶ continuously advising on public policy decisions through submissions to government consultation papers
- ▶ evidence-based support for MBS review working groups
- ▶ providing Adverse Drug Reaction reports for analysis and contributing to national pharmacovigilance activities
- ▶ supporting Primary Health Networks (PHNs) to provide targeted health initiatives

IDENTIFY THE PROBLEM



PROVIDE EXPERT ADVICE

CONDUCT EVALUATION



SUPPORT POLICY IMPLEMENTATION



### HEALTH PROFESSIONALS ENGAGED IN BEST PRACTICE

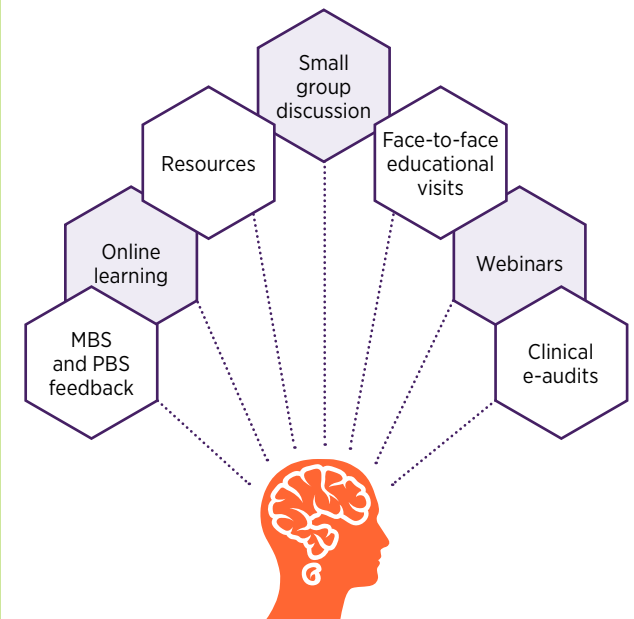
**27,995**

educational visits

**9%** change

in prescribing as a result of therapeutic programs in one year\*

Highly valued training provider for health professionals



*\*As found by Ernst & Young evaluation conducted in the 2016-2017 financial year.*

## INSIGHTS

NPS MedicineWise synthesises evidence, conducts research, analyses and interprets data and seeks input from experts and stakeholders to best respond to the needs of our customers and audiences. Insights gained through extensive research and expert advice contribute to the quality of NPS MedicineWise products and services.

### RESEARCH AND EXPERT ADVICE

#### Formative research

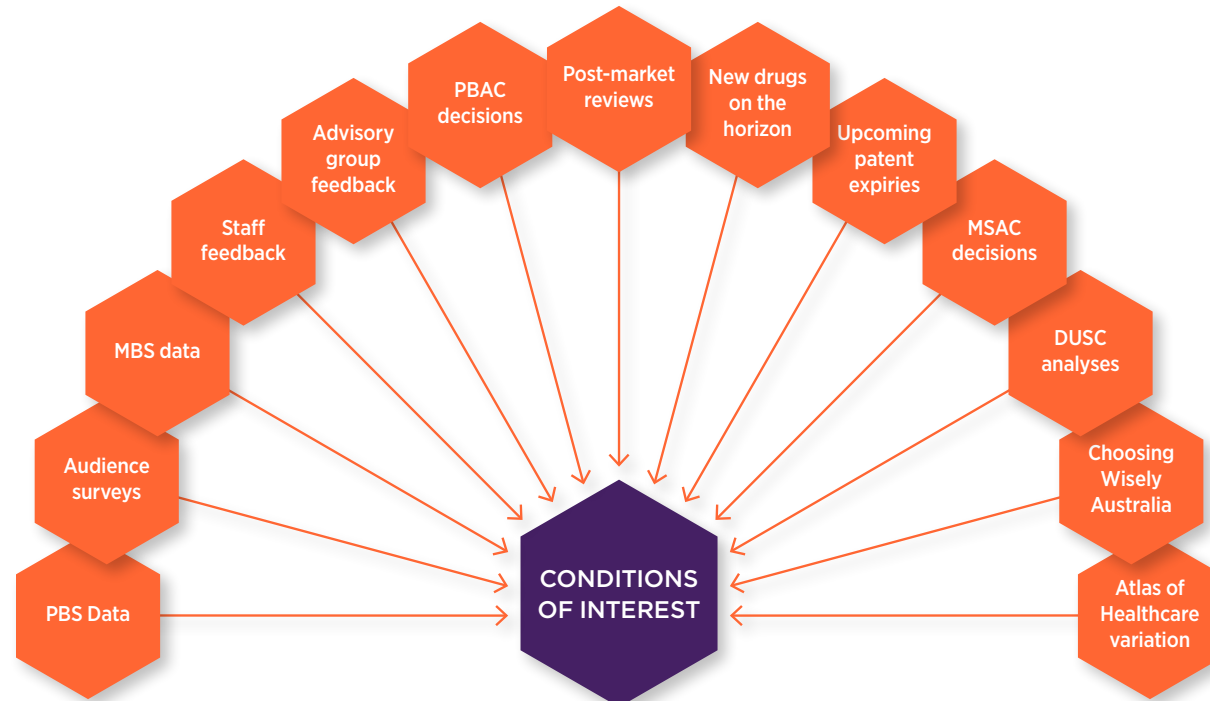
To help determine areas of focus we systematically analyse an extensive range of information sources. During the financial year, our formative research identified quality use of medicines improvement opportunities for dyslipidaemia, osteoarthritis and neuropathic pain.

#### Dyslipidaemia formative research insights

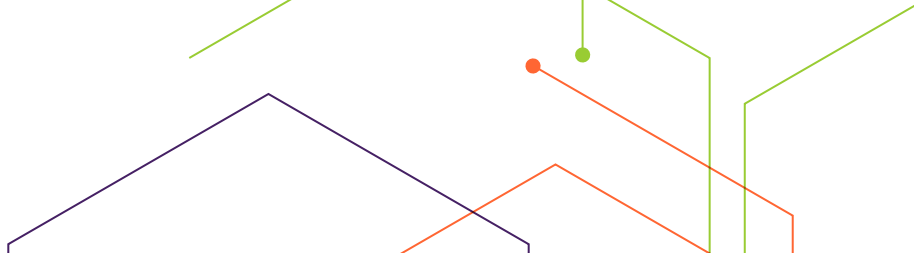
Two-thirds of Australian adults have dyslipidaemia — abnormal cholesterol or triglyceride levels in their blood — a major risk factor for heart attack and stroke.

The most commonly prescribed medicines to treat dyslipidaemia are statins. However, as high cholesterol is usually symptomless, many people with this condition may not appreciate the importance of continuing to take them. Negative media coverage about statins and their possible side effects increases the likelihood that people will stop taking their medicines. Ceasing their medication increases the risk of heart attack or stroke.

Our formative research into dyslipidaemia identified quality use of medicines issues for this condition, and informed the development of a therapeutic program launched in July 2017.



Sources of information for formative research



### **Osteoarthritis formative research insights**

Osteoarthritis is a condition in which the cartilage that allows the smooth movement of bones in the joints deteriorates and causes pain, swelling and loss of motion. Two million Australians have osteoarthritis. It mainly affects the knees, hips, ankles, spine, hands and neck of people older than 45 years.

Our formative research for this program identified a number of quality use of medicines and medical test issues relating to osteoarthritis, including confusion around appropriate diagnosis and treatments.

An NPS MedicineWise program on osteoarthritis will launch in late 2017.

### **Neuropathic pain formative research insights**

Neuropathic pain is caused by damage to the peripheral or central nervous system and may be acute or chronic. It has a significant impact on consumers and their families.

Formative research has identified limitations around treatment options and inconsistency in management along with quality medicines use issues. A program on neuropathic pain is scheduled for early 2018.

### **Primary research insights**

In addition to formative research, we gain understanding of the needs and motivations of health professionals and consumers by conducting primary research via surveys, interviews and workshops. These insights ensure our products and services are designed to provide the most benefit. During the year we conducted interviews with health professionals and conducted a comprehensive national pharmacist survey.

Before implementing each of our therapeutic programs, we interviewed health professionals. Interviews involved pharmacists, nurses, and nurse practitioners, and uncovered some of the specialist roles they perform in a number of settings. We modified the design of therapeutic program interventions to take into account these insights.

The 2017 National Pharmacist Survey involved a self-administered survey of a random selection of pharmacists. Among other insights, we found that in Australia most pharmacists (63%) discourage the inappropriate use of antibiotics.

### **Advisory and reference group expert advice**

Collaboration is key to our work, and expert advice is critical to ensuring our programs are the highest quality. One of the many ways we obtain this advice is by collaborating with standing groups, panels and committees. These groups provide valuable insights into strategic and program planning, intervention design, content, implementation and evaluation.

Advisory group members represent a wide range of disciplines, expertise, specialties and backgrounds, and many have played key roles in the evolution of quality use of medicines and medical tests in Australia.

## **DATA-DRIVEN INSIGHTS**

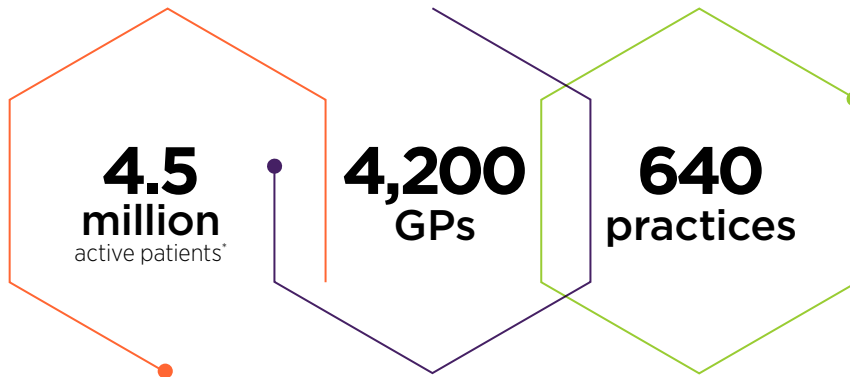
### **Insights into primary care**

By delivering powerful and flexible data insights, we enable a better understanding of the primary care landscape. Our large-scale data program *MedicineInsight* introduces a new era in primary care data in Australia, offering a richness of data and breadth of insights.

*MedicineInsight* is the first large-scale program to collect longitudinal primary care data in Australia. The data from participating practices, GPs, and patients enable us to follow the patient journey from diagnosis through to the impacts of treatment. It provides an ongoing local and national perspective on which treatments have been prescribed for which conditions, affecting which groups and producing what impact. *MedicineInsight* draws on the records of over 4.5 million anonymised patients — from hundreds of practices and thousands of GPs Australia-wide.

By collecting and analysing a range of data from clinical information systems, we can deliver one of the most comprehensive pictures of general practice healthcare at local, regional and national levels.

## 2016-17 participation in *MedicineInsight*



\*active patients are patients who had a visit to a *MedicineInsight* participating general practice at least once in the last three years

### Insights into practice

Our insights enable identification of clinical data gaps, improvement areas, and patients who should be prioritised. Data insights also enable easy identification of specific cohorts of patients for follow-up. These patients may be undertreated, potentially at risk, or would benefit from recall and review. Over the year we have provided insights for a range of quality improvement and practice purposes.

At a macro level, *MedicineInsight* data enables a review of variations in practice and outcomes. During the financial year, projects have included researching the quality use of medicines and diagnostic testing and understanding chronic disease and other conditions. Post-market surveillance was conducted on atrial fibrillation, new oral anticoagulants and antibiotics, as well as a post-market review on testosterone. This research provides valuable insight that will go on to inform medicines policy, and support quality improvement in general practice.

### Tailored insights supporting integrated care

The Hunter Alliance\* Diabetes program was developed by the team at Hunter New England Local Health District, and is being rolled out within the Local Health District geographical boundary. The goal of the program is to support all primary care clinicians to gain the skills, confidence and knowledge to provide best evidenced care to patients with type 2 diabetes. It is hoped that doctors who participate in joint case consultations in their surgeries with a trusted hospital-based diabetes specialist, will then be able to provide integrated care that will benefit all patients with type 2 diabetes in their practices.

We are working with the Local Health District, Primary Health Network and practice staff to support the program by recruiting participating practices into the *MedicineInsight* network and providing tailored *MedicineInsight* reports to practice staff. This helps them identify complex patients, monitor their patients over time and see how their practice compares with other practices regionally and nationally. Reports also inform the education programs that support ongoing practice improvements.

In March 2017 we developed a new report to help identify and target key gaps in practice and track improvement during the project delivery. This includes best practice measures for diabetes, focusing on modifiable lifestyle factors, achievement of targets for HbA<sub>1c</sub>, blood pressure and lipids, frequency of monitoring and medicines use.

An endocrinologist and one of our Clinical Services Specialists present and discuss each report with practice staff as part of quality improvement activities. As at June 2017 we had recruited 25 practices to the *MedicineInsight* program from across the Hunter Alliance and this number is expected to continue to grow.

\*The Hunter Alliance is a collaboration of the four major health care providers in the region; Hunter Primary Care, Hunter New England Local Health District, Hunter New England and Central Coast Primary Health Network and Calvary.

## Value of *MedicineInsight*

### **Data-driven quality improvement programs for general practice**

Customised intervention programs have been developed and implemented using *MedicineInsight* data to improve the quality use of medicines and tests for a range of conditions including type 2 diabetes, COPD, stroke management and depression.

### **Post-market surveillance of medicine use**

Pharmacoepidemiological reports are developed to understand the trends in utilisation and appropriateness of use of medicines and other management options.

### **National safety monitoring**

*MedicineInsight* contributes to national safety monitoring for vaccines provided through the National Immunisation Program.

### **Support for evidence-based health policy**

*MedicineInsight* extracts information from a national cohort of general practices on risk factors, chronic disease management, immunisation and cancer screening that can be used to monitor population health, develop national or targeted health improvement programs and inform policy.

### **Support for safe use of new medicines**

*MedicineInsight* data has been analysed and reported to assess the level of implementation of risk management plans for specific medicines. The insights provide support for GPs and specialists to use new medicines safely and follow risk management requirements.



## INNOVATION

The health landscape in Australia continues to rapidly evolve. To ensure our work remains at the forefront of quality use of medicines, tests and health devices, it is crucial we respond and innovate as new technologies and other challenges emerge.

### HEALTH DATA AND TECHNOLOGICAL INNOVATIONS

#### **MedicineInsight: health data insights driving quality improvement**

It has been a big year for our health data-driven quality improvement program *MedicineInsight*, as we respond to the changing needs of general practices and develop innovative solutions.

In January 2017 *MedicineInsight* reached a milestone, with 600 practices participating in the program, a clear indication of the valuable support it delivers for clinical practice improvement. Reaching this milestone has been possible due to innovations in technology, streamlining our processes and the willingness of general practices to be involved. At the end of the financial year there were 640 participating *MedicineInsight* practices.

#### **Big data guardianship**

As a custodian of health data, NPS MedicineWise has rigorous governance and security measures to ensure information is collected and stored ethically, legally, securely and confidentially.

In March 2017, NPS MedicineWise achieved certification against the Independent Registered Assessors Program (IRAP) for its secure data warehouse hosting PBS data. This certification means that our data warehouse is an Australian Government trusted environment that has effective security controls in place to process healthcare data.

To support our role as data custodian, during the financial year we harnessed expertise from across the sector via two governance bodies: the Data Development Advisory Group providing advice on best practice for a big-data environment; and the Data Governance Committee which is an external and independent advisory body that provides advice on the use of data collected by the *MedicineInsight* program, and approves applications for access to *MedicineInsight* data.

We continue to strengthen the data governance controls around the *MedicineInsight* program to ensure we protect the data we hold, and we safeguard the privacy and confidentiality of individuals who contribute data. We have robust procedures and policies in place to provide a secure environment for transferring and storing *MedicineInsight* data. In particular, data is encrypted during transit and storage, to government and international best practice standards, and the data is only stored in Australia.

#### **Co-design and trial of our data visualisation portal**

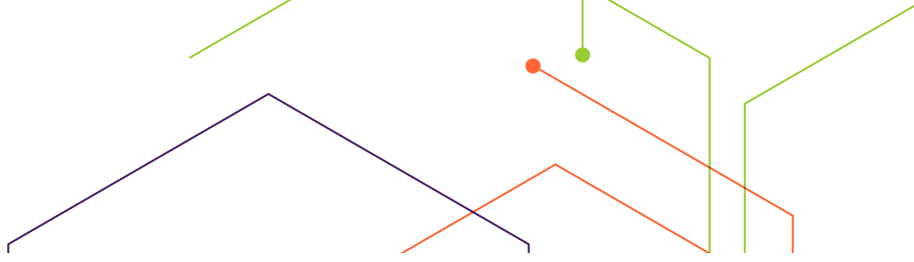
The *MedicineInsight* Portal is a data visualisation tool enabling practices to easily review data quality for accreditation purposes and identify patients who may be at risk or undertreated. Practices can also compare their practice data with other *MedicineInsight* practices nationally, by state, and within their Primary Health Network (PHN).

In September 2016 we began a test phase of the *MedicineInsight* Portal. We adopted an agile design approach, working collaboratively with end-users and adapting the design in line with their feedback.

New functionality was released in November 2016, which included:

- ▶ data can be customised by a range of variables including patient demographics, diagnoses, prescribing patterns, pathology results and risk-factor levels.
- ▶ data can be displayed as a percentage, absolute numbers, or in a table format.
- ▶ pre-populated dashboards can display a practice's patient data for major health conditions. There is also the ability to save searches as customised dashboards.

The *MedicineInsight* Portal has been rolled out to a selection of practices across Australia. Feedback from this group is informing the next development phase, which will then see the *MedicineInsight* Portal made available to all participating *MedicineInsight* practices.



**MedicineList+ gets a makeover – introducing MedicineWise app**

In June 2017 our popular medicines management app *MedicineList+* was relaunched as the new and improved *MedicineWise* app.

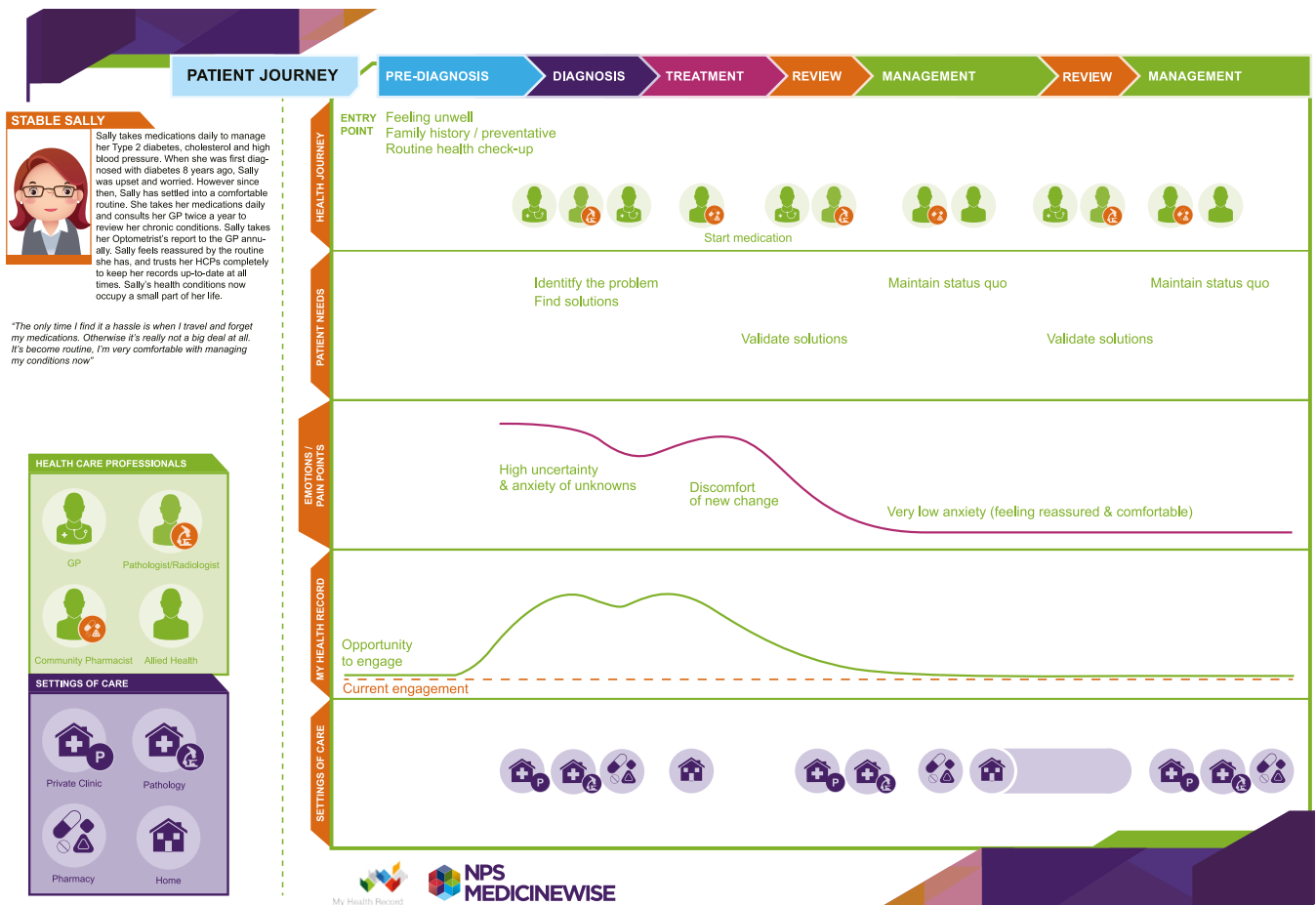
**Co-designing the app with consumers and health professionals**

We designed the new *MedicineWise* app in collaboration with health professionals and end-users. Our collaborative approach included asking pharmacists and doctors to describe a normal work day and their interactions with patients. We also asked patients and carers to describe a typical day, a day out, and a visit to the doctor.

We then introduced the idea of an electronic medicines list to health professionals, consumers and carers and investigated how they would use it.

This allowed us to understand how a medicines list could be meaningfully introduced into their current activities.

We discovered that future versions of the app needed to fit into current health habits and activities, and be empathetic to the patients' and carers' current contexts. A Patient Journey Map (pictured) was created to illustrate what participants told us about their health habits and activities.



"Patients need to be aware of their own health."

"Got to guide the doctors, you really do, without sounding silly... this is your body."

"You are ultimately responsible for your own health."



Patient: Sarah



An overarching insight is that patients strongly believe they are responsible for managing their own health. The *MedicineWise* app could leverage this desire by supporting them in managing their overall health. This means that the electronic medicines list needs to be more than just a medicines list.

### MedicineWise app features

- Build, edit & share medicine list
- Set dose & appointment alerts
- Track tests & results
- Record important health information
- Carer mode
- View relevant medicines info & rich media
- Secure login & syncing
- Re-branding

The *MedicineWise* app still contains all the features our users love about *MedicineList+*, including the medicines list builder and reminders for when to take medicines and attend doctor's appointments.

More features, including a link to My Health Record, are expected in late 2017.

### VIEW MEDICINES INFO & RICH MEDIA CONTENT

The first screen shows 'Medicine details' for Deliah Carr, listing 'LIPITOR TABLETS atorvastatin 80 mg' and 'FEATURED CONTENT' with 2 videos, 3 pdfs, and 1 link. It also shows 'REASON FOR USE' as cholesterol and 'DOSE AND FREQUENCY' as 'Every day 1 tablet at 7:00pm'.

The second screen shows 'Consumer Medicine Information' for LIPITOR® (Atorvastatin calcium), including 'WHAT IS IN THIS LEAFLET' and instructions to read the leaflet with the medicine.

The third screen shows 'Featured Content' with items like 'Asthma is for life', 'How to use your inhaler', 'The best way to use your asthma inhaler spacer', 'Inhaler technique', 'Spacer inhaler technique', and 'Spacer acute inhaler technique'.



## INNOVATING TO ADDRESS NEW CHALLENGES THROUGH CO-DESIGN

People-centred care is at the heart of our work. Our programs are co-designed to ensure our solutions are fit for purpose and result in improved health outcomes with consumers as the focus.

### Quality use of medicines as experienced by Aboriginal health workers

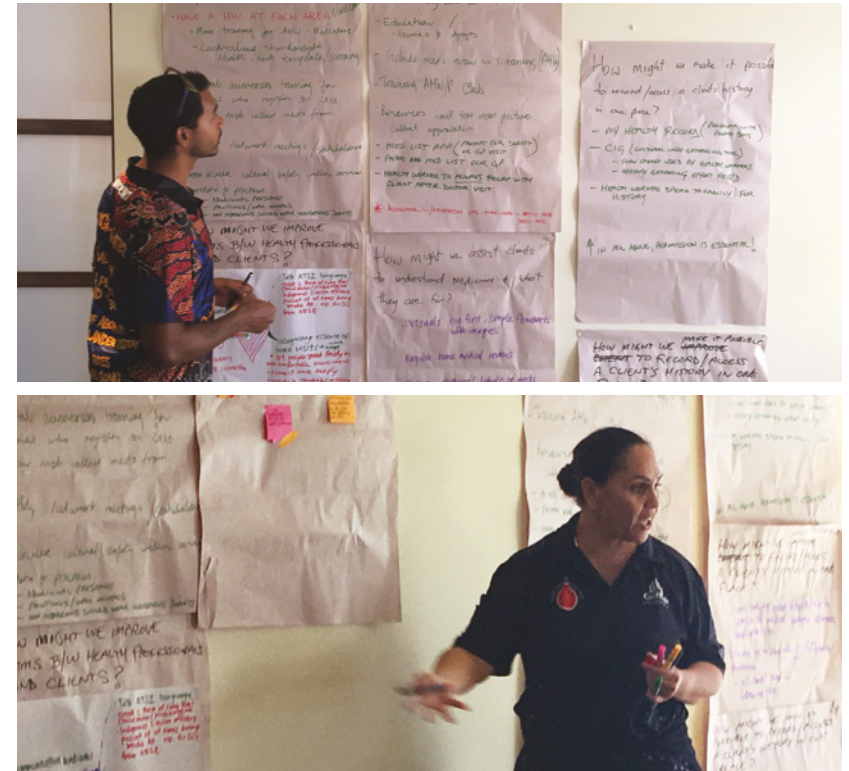
In mid-2016 we signed a partnership memorandum of understanding with Northern Queensland Primary Health Network (NQPHN) and identified six key areas as initial priorities. One of these was work that would promote the *Good Medicines Better Health* education and training program for Aboriginal health workers and practitioners.

*Good Medicines Better Health* incorporates knowledge about appropriate use of medicines, screening and medical testing with an understanding of the role Aboriginal health workers and practitioners play within their communities in enabling behaviour change.

Aboriginal health workers and practitioners ensure their clients understand why they are being prescribed medicine and how to take it for maximum effect. They also have an important role in arranging and explaining the reasons for medical testing and screening appointments.

In mid-2017 we co-facilitated a one-day workshop with a local Aboriginal health facilitator at NQPHN's annual conference in Cairns. The workshop had two aims:

- ▶ identify the quality use of medicines challenges experienced by Aboriginal health workers in their local communities and get them to explore their ideas for possible solutions, and
- ▶ assess the need and interest for a quality use of medicines training program such as *Good Medicines Better Health*.

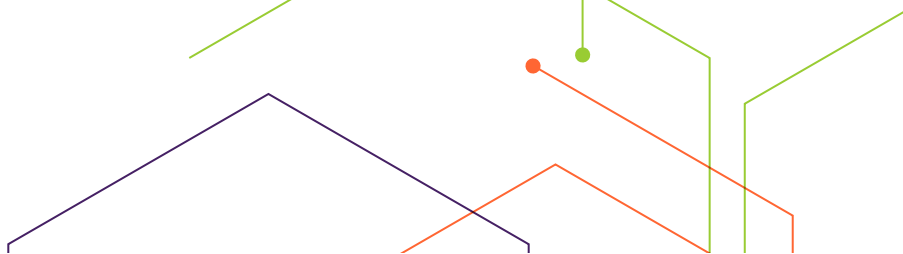


Top: An Aboriginal health worker participant. Bottom: Leeona West, local Aboriginal health facilitator. Photos used with permission.

The workshop identified:

- ▶ challenges and opportunities for Aboriginal health workers who want to implement quality use of medicines in their communities
- ▶ co-designed solutions and concepts for implementing quality use of medicines
- ▶ clear directions from Aboriginal health workers about the next steps for making quality use of medicines easier for them to implement.

We look forward to continuing our partnership with the NQPHN's workforce development team to design the next steps for sustainable quality use of medicines education and training opportunities in the region.



### Improving early management and quality use of medicines for people with rheumatoid arthritis

We believe the best results come through collaboration. This is particularly true when examining the use of medicines in specialised fields with complex settings. In late 2016 NPS MedicineWise convened a multidisciplinary Expert Working Group including rheumatologists, GPs, and pharmacists to explore the management of rheumatoid arthritis.

The group identified a number of quality use of medicines issues in the use of anti-rheumatic medicines, particularly the conventional synthetic options, broadly falling into three key areas:

- ▶ timely initiation of conventional synthetic disease-modifying anti-rheumatic medicines
- ▶ appropriate use and persistence with these medicines in therapy
- ▶ clarity about professional roles and best practice for prescribing, dispensing, and monitoring disease-modifying anti-rheumatic medicines, and managing lifestyle factors and other risks associated with rheumatoid arthritis.

As well as identifying cross-collaboration opportunities to address these issues, the group agreed that a co-design process was an appropriate approach to developing and implementing a program that supports the quality use of medicines for rheumatoid arthritis.

The first phase of the co-design process involved four steps.

1. Systematically examine the issues raised to consider (a) health professional roles, (b) the patient journey, and (c) behavioural drivers.
2. Develop corresponding key messages or concepts for each area.
3. Explore the barriers to and enablers of these messages for each audience.
4. Identify a range of activities to help support desired behaviour change.

The next phase of the co-design process will involve a review of the preliminary product and service development of activities identified. The findings of this review will be available in late 2017. Through continued collaboration with the Expert Working Group, we will ensure that work with the organisations involved is synergistic and that we achieve positive change with sustainable outcomes.

### Taking professional life stages into program design

Each year we typically deliver three therapeutic programs to health professionals. We develop program content for individual health professions, which is delivered in a variety of formats, such as online learning, online articles and face-to-face training.

During this financial year, we worked with colleges and member-based organisations to tailor our therapeutic program content for needs specific to the different life stages of health professionals.

In late 2016 we began a trial to explore, develop and pilot a model for delivery of content to registrars and/or supervisors that involves use and appropriate adaptation of existing program materials. The trial is being conducted in three phases, in collaboration with the professional college trial partner. The results of this trial are expected in late 2017.

## INNOVATION THROUGH COLLABORATION

### Expanding our reach

Our customer base has continued to expand throughout the year, extending our ability to reach and apply our skills to areas of unmet need, in line with our mission.

Activities have drawn on our co-design expertise, evaluation capability, health-data insights and evidence synthesis. These have included conducting literature reviews, creating interactive online learning courses, design and delivery of programs for health professionals and delivering resources and services to support consumers. Examples include:

- ▶ developing and delivering interactive online learning resources for health professionals about post-market safety monitoring of therapeutic goods and the reporting of adverse events due to medicines, vaccines and medical devices
- ▶ developing and delivering resources to help people living with dementia and their carers to make informed and better decision about medicines, and to inform consumers about their rights with respect to treatment
- ▶ developing interactive online learning on management of hepatitis C for primary care clinicians

- ▶ developing consumer content to support national cervical screening
- ▶ designing and delivering new online learning courses to help hospital clinicians safely and effectively use new versions of the National Standard Medication Charts
- ▶ undertaking a series of literature reviews to evaluate evidence behind clinical utility of a number of pathology tests to support the work of MBS review working groups
- ▶ developing and delivering education to general practitioners on management of the unmet long-term health needs of people living with HIV.

### Working with Primary Health Networks

The establishment of 31 Primary Health Networks (PHNs) in 2015 created a network of organisations across Australia focused on achieving primary care priorities at a regional level. NPS MedicineWise is committed to working in collaborative and synergistic ways with PHNs, and has actively pursued relationships and opportunities to partner and collaborate on areas of mutual interest. To date we have met with almost every PHN to explore opportunities and build strong and respectful relationships.

It is important that we work efficiently and effectively with other organisations delivering on health priorities; building open and collaborative relationships helps avoid duplication. We are better able to support the work of PHNs in line with their individual activity work plans as well as their local requirements and we streamline the delivery of services and resources to primary care and the community more broadly. This remains a cornerstone of our relationships with PHNs across the country.

Our Clinical Services Specialists working around the country are linked in with local PHNs, and in some regions share office space and participate in PHN staff and practice support team meetings. This enables close collaboration, sharing of information and resources, and cross-promotion of NPS MedicineWise and PHN initiatives across general practice.

As at 30 June 2017 we had eight formal memorandums of understanding and agreements with another four PHNs.

The scope of collaboration varies depending on local requirements, but includes:

- ▶ promotion of Health Pathways
- ▶ piloting new initiatives like the New Medicines Support Service
- ▶ co-design, testing and evaluation of our *MedicineInsight* data visualisation portal to ensure it meets PHN needs
- ▶ recruitment of *MedicineInsight* practices in specific regions
- ▶ use of *MedicineInsight* data to inform needs assessments and population health planning
- ▶ partnering for delivery of projects, including implementation of the Real Time Prescription Monitoring System in Victoria, and cancer screening.

In June 2017 we were awarded a new contract from the Department of Health. In partnership with the National Centre for Immunisation Research and Surveillance (NCIRS), NPS MedicineWise will deliver a landmark, nationally coordinated immunisation support program for PHNs across Australia over the next two years.

The program, entitled the Primary Health Networks Immunisation Support Program, will be co-designed with PHNs to better support and coordinate immunisation providers and services in their regions. The aim is to ensure PHN efforts across the country deliver on National Immunisation Program goals and are as consistent as possible, while addressing specific challenges in their local areas.

Immunisation providers, including GPs, nurses, community health clinics, Aboriginal Medical Services, local councils, public health units and pharmacies will benefit from the new PHN immunisation program which will be consistent with the Australian Immunisation Handbook guidance, but adapted to address specific community and patient requirements.

NCIRS and NPS MedicineWise are conducting a systematic consultation process with PHNs and key stakeholders around the country to identify and respond to their particular challenges and requirements in the immunisation space.

## Choosing Wisely Australia®

The momentum of the *Choosing Wisely Australia* initiative continues to build. Australia is one of more than 20 countries implementing Choosing Wisely. This global social movement aims to improve the safety and quality of healthcare systems by encouraging better conversations between health professionals and consumers about the appropriate use of tests, treatments and procedures.



During its first two years, *Choosing Wisely Australia* has collaborated with Australia's peak medical colleges, societies and associations to develop lists of health practices that should be questioned. As at 30 June 2017, 133 recommendations have been made. Key partnerships with the Consumers Health Forum of Australia (CHF) and Healthdirect Australia are helping drive activities to raise awareness among the community and help people understand that more care is not always better care.

The NPS MedicineWise *Ankle and knee injuries: your imaging choices* program launched in October, promoting the latest evidence around the appropriate use of ultrasound and X-ray for acute ankle injuries. It was the first national educational visiting program for GPs to incorporate Choosing Wisely recommendations. Recommendations came from The Royal Australian and New Zealand College of Radiologists, Australian Physiotherapy Association and Australian College of Nursing.

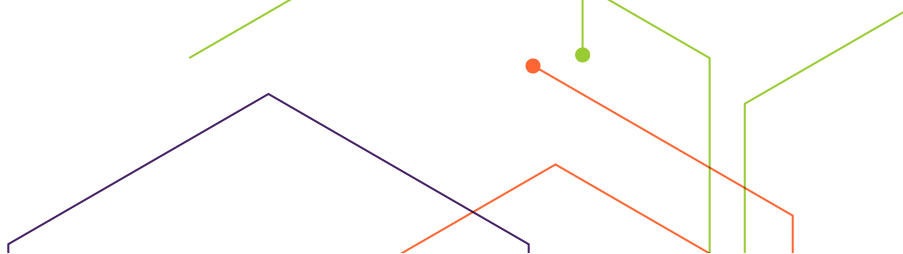


A poster featuring recommendations from Australian and New Zealand College of Anaesthetists



Delegates at Choosing Wisely national meeting





Delegates from Royal Brisbane and Women's Hospital with their poster submission

In May, NPS MedicineWise hosted an inaugural *Choosing Wisely Australia* national meeting bringing together 250 members and supporters to showcase the initiative's progress and explore innovations and opportunities for the future. A number of health services presented early results on a range of implementation projects addressing areas such as the over-ordering of pathology tests, cannula use, and the deprescribing of proton pump inhibitors.

The value of *Choosing Wisely* in being able to effect a culture change around low-value healthcare is reflected in the strength of its membership, including 80% of Australia's specialist medical colleges and 10 champion Health Services who are driving engagement and implementation activities.

This year the first *Choosing Wisely Australia* report was published, highlighting achievements during the first 18 months, and the results of healthcare provider and consumer surveys of attitudes to unnecessary care and awareness of *Choosing Wisely*. The report also offered some key insights into the drivers of unnecessary healthcare and revealed a disconnect between clinicians and patients about why unnecessary testing is occurring.

[choosingwisely.org.au](http://choosingwisely.org.au)

## Medicare Benefits Schedule Review

During the financial year we continued to provide significant technical writing and secretariat services to support the Department of Health with the ongoing Medicare Benefits Schedule (MBS) Review Taskforce. The Taskforce is reviewing more than 5,700 MBS items to make sure they are still best practice, relevant and improving patient health outcomes.

As part of this work, NPS MedicineWise has provided secretariat support, written minutes and performed literature reviews to support 11 working groups and sub-groups sitting under the Diagnostic Imaging Clinical Committee and Pathology Clinical Committee.

By the end of the current contract we will have played a key secretariat role in the coordination of more than 50 meetings and prepared more than 10 final reports to inform important policy decisions.

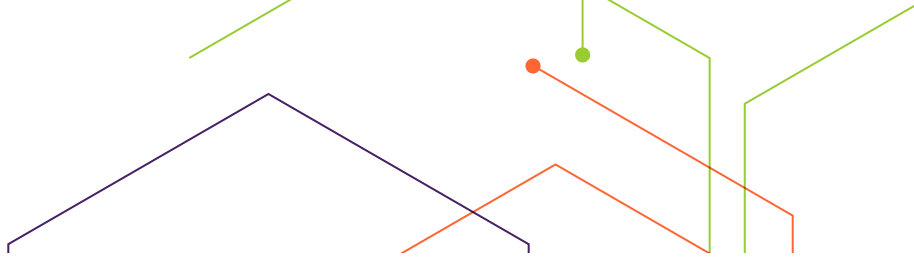
## THERAPEUTIC PROGRAMS ENABLING BEST PRACTICE

Our therapeutic programs are selected to address key clinical issues in the Australian health landscape. They enable health professionals to stay up to date with the latest evidence informing best practice. As part of each therapeutic program we deliver educational and informative content in a range of formats. These include online learning (modules, case studies), face-to-face meetings (individual, group), audits (online, group), web assets (articles, resources, tools) and desktop systems (alerts, resources).

### Type 2 diabetes: what's next after metformin?

The management of type 2 diabetes is rapidly evolving with the introduction of an increasing number of new medicines, new Australian guidelines and emerging clinical outcome data. As a result, medicine selection for treatment of type 2 diabetes has become increasingly complex.

To help health professionals stay informed we launched our program *Type 2 diabetes: what's next after metformin?* in June 2016. The program encouraged GPs, pharmacists, practice nurses and diabetes educators to take an individualised approach to diabetes management. This included balancing patient and medicine factors when choosing from the wide range of available glucose-lowering medicines.



The primary aim of the program was to improve use of second- and third-line medicines for lowering blood glucose. It was also important to promote strategies to improve adherence to the typical first-line therapy, metformin. The program encouraged health professionals to partner with patients to achieve their glycaemic targets through a combination of medicines, positive lifestyle changes and a holistic approach to care. A health professional-mediated Patient Decision Aid was developed to help patients decide on whether to initiate metformin therapy or persist with lifestyle changes.

As a result of health professionals being better informed about medicine choices, people with type 2 diabetes will be in a better position to improve their glycaemic control, reduce associated long-term complications and minimise medicine-related adverse effects.

As part of the program we collaborated with the Australian Diabetes Society and the RACGP Diabetes Specific Interest Group to develop and share the latest Australian blood glucose treatment management algorithm. Close collaboration resulted in valuable input from these key opinion leaders throughout program development as well as co-facilitation of GP workshops.

Evaluation of the impact of the program is expected in November 2017.

[nps.org.au/diabetes](http://nps.org.au/diabetes)

**Type 2 diabetes: what's next after metformin?**

**Educational visit**

- ▶ Get the latest information about available glucose-lowering medicines and their place in therapy
- ▶ Learn about the medicine combinations in practice
- ▶ Receive an update on the latest guidelines and treatment algorithms for type 2 diabetes management

**CPD Activities**

- ▶ **Online interactive case study** - Available June 2016  
CPD points for GPs, pharmacists and nurses
- ▶ **Clinical e-Audit for GPs** - Available September 2016  
CPD points for GPs (QI activity)
- ▶ **Pharmacy Practice Review** - Available September 2016

**EDUCATIONAL VISIT**

**TYPE 2 DIABETES  
WHAT'S NEXT AFTER METFORMIN?**

Keep up to date with the latest evidence on second and third line medicines for lowering blood glucose.

Book an educational visit at [nps.org.au/diabetes-visit](http://nps.org.au/diabetes-visit)

**NPS MEDICINEWISE PROFESSIONAL**

## Ankle and knee injuries: your imaging choices

X-rays, ultrasounds or magnetic resonance imaging (MRI) are often requested when people suffer ankle or knee injuries. More than 290,000 Australians see a GP each year for an ankle or knee sprain or strain.<sup>1</sup>

Unnecessary X-rays can be costly, time-consuming and involve a slight health risk due to radiation exposure. Our program *Ankle and knee injuries: your imaging choices* launched in September 2016. The program integrated recommendations from *Choosing Wisely Australia* questioning the need for tests for ankle and knee injuries.

As part of this work, recommendations on managing ankle injuries without imaging have been developed by peak bodies representing Australia's physiotherapists, nurses and radiologists, and are promoted by *Choosing Wisely Australia*.

The *Ankle and knee injuries: your imaging choices* program demonstrated that in most cases taking a history and examining the injured joint is all health professionals need to do to diagnose the problem and recommend treatment. The program included health professional and consumer materials such as publications, online learning, and videos demonstrating how to examine an injury.

For this program, our largely pharmacy-trained Clinical Services Specialists were upskilled to deliver an imaging-focused program. Evaluation of the impact of the program is expected in December 2017.

[nps.org.au/ankle-knee-imaging](http://nps.org.au/ankle-knee-imaging)



Still from a video demonstrating examination and physical tests for meniscal tears of the knee

<sup>1</sup> Flood L, Harrison J. Hospitalised sports injury, Australia 2002–03. Adelaide: AIHW, 2006

EDUCATIONAL VISIT

## ANKLE AND KNEE INJURIES: YOUR IMAGING CHOICES

An update on the latest imaging recommendations for the type of acute knee and ankle injuries that are commonly seen in general practice.

Includes key factors to consider when deciding whether to refer for imaging. And, when imaging is indicated, guidance on selecting the most appropriate imaging modality.

An NPS MedicineWise *Action Plan* to assist your patients with self-management of ankle sprains and routine knee injuries will be available as part of this topic.



**REQUEST A VISIT NOW** [nps.org.au/book-a-visit](https://nps.org.au/book-a-visit)

**NPS MEDICINEWISE**  
PROFESSIONAL

## ANKLE AND KNEE INJURIES: YOUR IMAGING CHOICES

### Reasons to participate

- ▶ Developed in conjunction with musculoskeletal experts and in line with the RANZCR *Choosing Wisely* recommendations and RACGP clinical guidance for MRI referral.
- ▶ Practical decision support tools that can facilitate diagnosis and appropriate choice of imaging.
- ▶ For your patients: avoid unnecessary, inconvenient and potentially costly imaging tests without compromising their treatment or recovery.

### Health professional publications and learning activities

- ▶ **MedicineWise News** published October 2016  
Up-to-date, succinct and evidence-based advice on imaging for acute knee injuries.  
Available at [nps.org.au/nps-news](https://nps.org.au/nps-news)
- ▶ **Interactive Case Study** available online October 2016  
CPD activity for GPs and nurses
- ▶ **Educational visits for GPs** start November 2016  
Request a visit now: [nps.org.au/book-a-visit](https://nps.org.au/book-a-visit) or (02) 8217 8700

Independent, not-for-profit and evidence based, NPS MedicineWise enables better decisions about medicines and medical tests. We receive funding from the Australian Government Department of Health. © 2016 NPS MedicineWise

**NPS MEDICINEWISE**  
PROFESSIONAL

NPS1685


## COPD medicines and inhalers: stepping through the options

Chronic obstructive pulmonary disease (COPD) can be a complex and challenging condition for health professionals to diagnose and manage. It is difficult to distinguish from asthma, and in recent years there has been a plethora of new inhalers for the treatment of COPD released in the Australian market.

Recognising these challenges, in February 2017 we launched *COPD medicines and inhalers: stepping through the options*. It focused on three key areas:

- ▶ diagnosis of COPD and assessment of severity — including the role of spirometry
- ▶ stepwise pharmacological management of COPD
- ▶ inhaler technique and adherence.

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### COPD medicines and Inhalers: stepping through the options

**Book an educational visit ▶**

### Different devices suit different people



Learn more at [nps.org.au/copd](https://nps.org.au/copd)

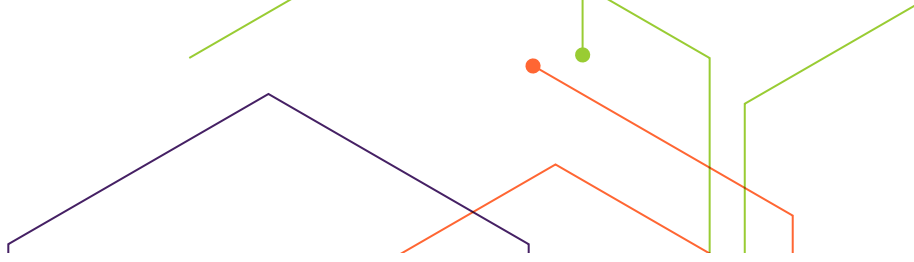
**NPS MEDICINEWISE**

Spirometry is critically important as part of clinical assessment to accurately diagnose COPD and assess its severity. Evidence indicates that while the rate of spirometry use is growing, it is still underutilised. Inhaler technique and adherence were also a focus because studies suggest that many patients don't use their devices correctly or are not taking their COPD medications as prescribed, leading to sub-optimal management of their condition.

We developed resources for the program in collaboration with external experts, including the National Asthma Council, Asthma Australia, and Lung Foundation Australia.

Evaluation of the impact of the program is expected in April 2018.

[nps.org.au/copd](https://nps.org.au/copd)



## EDUCATIONAL VISITING SERVICES

Clinical Services Specialists deliver our educational visits to health professionals and community groups. They are located throughout Australia and they know the communities they support. This financial year our Clinical Services Specialists provided 27,995 face-to-face educational visits. This equates to an average of 538 face-to-face GP visits per week.

Clinical Services Specialists provided face-to-face educational visits to 4,309 pharmacists (an average of 83 per week).

- Excellent, non-biased and accurate information.
- This is the most outstanding service offered. I look forward on my calendar to when these presentations occur.
- The best continuing education available.
- A very, very valuable service, always learn something new and find the face-to-face teaching very effective.

The visits were delivered on a range of programs including:

- ▶ *Type 2 diabetes: what's next after metformin?*
- ▶ *Ankle and knee injuries: your imaging choices*
- ▶ *COPD medicines and inhalers: stepping through the options*
- ▶ *Managing depression: re-examining the options*
- ▶ *Preventing fractures: where to start with osteoporosis*
- ▶ Plus *MedicineInsight* visits on stroke prevention, antibiotics, diabetes and depression

### Video-enabled 'virtual' educational visits

This year we extended the reach of our health professional support by incorporating new video-enabled visits. These virtual visits via Skype ensure that GPs who find it difficult to schedule an in-practice visit can still benefit from our visiting program. Using this new technology, we delivered 103 virtual visits to GPs in every state and territory in Australia.

- This service is very useful to the rural practitioners and should continue.
- Great service, keep it up!

## REDUCING ANTIBIOTIC RESISTANCE

Australia has high antibiotic prescribing rates, with more than 30 million prescriptions for antibiotics in 2014. It is estimated that half the population were prescribed at least one course of antibiotics.

The more antibiotics are used, the more chances bacteria have to become resistant to them. Antibiotic resistance happens when bacteria change to protect themselves from an antibiotic. When this occurs, antibiotics that previously would have killed the bacteria, or stopped them from multiplying, no longer work. This is why NPS MedicineWise has an ongoing campaign to raise awareness about the serious public health issue of antibiotic resistance. We aim to create behaviour changes that drive down inappropriate prescribing by health professionals and the misuse of antibiotics by consumers in Australia.

### Challenging norms in behaviour: winter colds and flu

During winter 2016 we addressed expectations about prescribing of antibiotics for colds and flu. Activities included a mail out to general practices that was endorsed (and co-branded) by the RACGP, online articles and ads speaking to parents in English, Chinese and Arabic. We also provided resources to child care centres.

The main messages were:

- ▶ antibiotic resistance is one of the biggest threats to global health today, and there are concerted efforts across the health sector to combat this issue
- ▶ while awareness of the importance of appropriate antibiotic use is growing across the Australian community, many people — particularly parents of young children and people under pressure to get back to work — expect to be given antibiotics to treat cold and flu symptoms
- ▶ general practitioners are being pressured to meet patient demands and in some cases prescribe antibiotics inappropriately, adding to the serious problem of antibiotic resistance
- ▶ antibiotics won't speed up cold and flu recovery as antibiotics only work on infections caused by bacteria, not those caused by viruses
- ▶ childcare centre staff are in a powerful position to educate parents/carers about antibiotic resistance and how to manage cold and flu symptoms without antibiotics.

[nps.org.au/medical-info/consumer-info/antibiotic-resistance-the-facts](https://nps.org.au/medical-info/consumer-info/antibiotic-resistance-the-facts)



## Antibiotic resistance: here and now

# GLOBAL Antibiotic AWARENESS 14-20 NOVEMBER WEEK

### Antibiotic Awareness Week

In November 2016 we worked with key national and international organisations in response to the growing problem of antibiotic resistance. Antibiotic Awareness Week is an annual, global event to raise awareness about the serious health issue of antibiotic resistance. The theme for this year's event was *Antibiotics: Handle with care*. The main aim was to educate people to understand that antibiotic resistance is happening here and now, with increased rates of resistance being reported for many commonly used antibiotics.

**Simple soap and water is best:** We reminded Australians that regular hand washing is an important part of preventing illness and stopping the spread of infection-causing bacteria.

**Antibiotics and the gut:** During Antibiotic Awareness Week we also addressed the effects of antibiotics on gut health. Although many people may be aware of the potential side effects of antibiotics, they may be surprised about how common they are. Some of these side effects are short-term and in most cases, temporary. Increasingly, however, research is showing there are also long-term consequences from antibiotic therapy that can impact on future health for the individual, as well as the community.

[nps.org.au/antibiotics-and-gut-health-finding-the-right-balance](http://nps.org.au/antibiotics-and-gut-health-finding-the-right-balance)

### Supporting health professionals to reduce antibiotic resistance

Also in November 2016 we supported health professionals to reduce antibiotic resistance by providing an update on best practice prescribing for antibiotics. There is good news, with evidence that inappropriate antibiotic prescribing by health professionals may be decreasing. However, prescribing data indicates that antibiotics are still being frequently prescribed in situations that are not consistent with evidence-based guidelines, so further work is required.

Our educational materials included an update on antibiotic use in Australia, and the types of bacteria that are becoming resistant, as well as practice points to consider before prescribing antibiotics.

[nps.org.au/medical-info/clinical-topics/news/antibiotic-resistance-in-australia-here-and-now](http://nps.org.au/medical-info/clinical-topics/news/antibiotic-resistance-in-australia-here-and-now)



**Clean hands are one of the best defences against antibiotic-resistant infections.**

**It sounds simple, because it is.**

visit [nps.org.au/aaw2016](http://nps.org.au/aaw2016) to learn more

**NPS  
MEDICINEWISE**

## TAKING CHARGE OF MEDICINES: BE MEDICINEWISE WEEK 2016

There are many reasons why people may not feel comfortable about asking questions. Men and younger people are more likely to feel too nervous or embarrassed to ask their health professional a question when they've been prescribed a new medicine.<sup>2</sup> Our sixth annual Be Medicinewise Week (22–28 August 2016) provided support for people and encouraged them to ask questions about their medicines, connect with health professionals, and know what information should be followed.

To help people take charge and better manage their medicines during Be Medicinewise Week 2016, we recommended five questions to ask health professionals:

- 1 What is the medicine for?
- 2 What is the active ingredient?
- 3 How do I take or use this medicine correctly?
- 4 What are the possible side effects and what can I do about them?
- 5 What should or shouldn't I do while taking this medicine?

<sup>2</sup> The survey of 1,007 Australian respondents aged 18 and over was conducted online by Galaxy Research in July and August 2016.

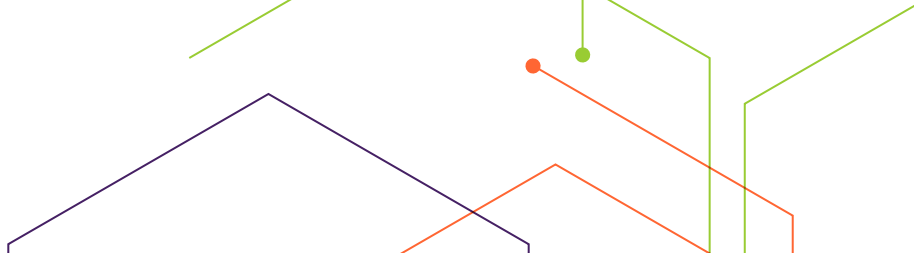
Campaign materials were available for individuals, health professional organisations and consumer groups. Other aspects of the week included a very popular media release which featured on TV, radio and online, a chat with our Facebook group members, holding an 'Ask your medicines questions' stall in a community shopping area, and promoting our Medicines Line for people to call with medicines questions and speak to a pharmacist.



Image from a Huffington Post Australia article featured during Be Medicinewise Week



'Ask your medicines questions' stall in Chatswood Mall, NSW



## LEARNING THROUGH ONLINE INNOVATION

The option to keep up to date via online learning is increasingly appealing as health professionals juggle multiple responsibilities. We offer innovative online learning options that include entire courses or one-off case studies. Most activities are CPD-accredited and interactive. During the financial year our online learning registered users rose to over 229,000. In 2016–17 we offered 51 online courses and 12 case studies.

Other achievements include:

- ▶ rebuilding 14 modules from Flash to HTML 5 format to enable viewing on tablet devices and to meet accessibility standards
- ▶ developing capability within our online learning modules to display specific content based on a learner's profession
- ▶ creating 14 Australian Prescriber online quizzes for CPD for pharmacists
- ▶ developing an online portal for providing resources and recording pharmacist-patient interventions for the New Medicine Support Service pilot (phase 2).

We also reviewed the entire suite of 32 online learning modules that comprise the National Prescribing Curriculum (NPC). As a result, two modules were retired and the remaining 30 were redesigned and updated ready for re-release by the end of 2017. These are currently used by 100% of medical schools and 94% of pharmacy schools in Australian universities.

### Online learning partnerships

During the financial year we forged or reinforced successful online learning partnerships with various organisations.

- ▶ Australian Commission on Safety and Quality in Health Care (ACSQHC)

We wrote and built a new National Standard Medication Charts course incorporating the new PBS chart and updating the content from the existing National Inpatient Medication Chart course which has now been retired.

- ▶ Department of Health (Australian Government)

We developed six online modules for the new National Cervical Screening Program. The objective of the modules is to provide online training for healthcare providers who conduct cervical screening tests and follow-up management for women, in accordance with the recommended changes to practice and the clinical pathway.

- ▶ Therapeutic Goods Administration (TGA)

The TGA renewed its contract with us to host the *Safety through reporting* modules. The modules have been designed to build on health professionals' current knowledge and experience while promoting a deeper understanding of why patients and the TGA rely on health professionals to report adverse events.

## EVIDENCE-BASED INFORMATION DELIVERED VIA DIGITAL CHANNELS

### RADAR

RADAR provides health professionals with timely, independent, evidence-based information on new drugs and medical tests and changes to listings on the Pharmaceutical Benefits Scheme and Medicare Benefits Schedule.

Articles are published online, with key information available in prescribing software as pop-ups for one year following the publication of full reviews, to provide GPs with accurate, evidence-based information on new medicines at the point of care.

RADAR delivers high-quality articles for prescribers and pharmacists that are independently reviewed by experts in clinical medicine, academics, pharmaceutical industry representatives, independent drug information providers and government. Over the year, our RADAR articles have kept readers up-to-date on the ever-expanding list of new medicines for the management of chronic hepatitis C infection, discussed how listing changes for medicines such as alprazolam and buprenorphine may impact practice and patients, and examined risk of bleeding with NOACs and concomitant use of low-dose aspirin or NSAIDs.

[nps.org.au/radar](https://nps.org.au/radar)

### Australian Prescriber

Australian Prescriber is one of the most popular peer-reviewed scholarly journals in Australian clinical practice. As well as providing evidence-based expert reviews on prescribing, the journal facilitates debate about complex, controversial and uncertain therapeutic areas. The journal is published six times a year. It has approximately 36,000 subscribers to the digital content and a growing social media presence with over 3,000 followers on Twitter.

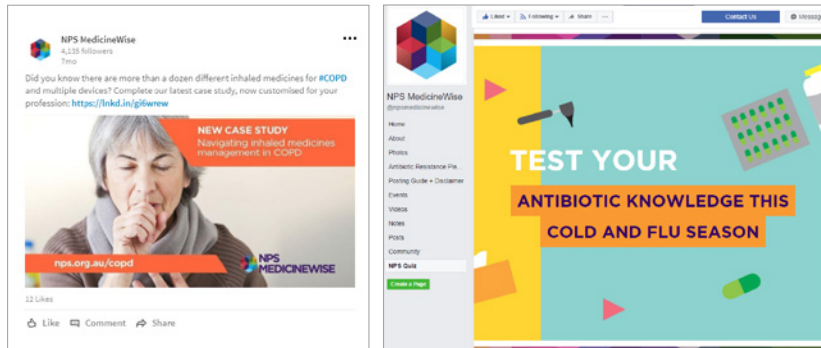
Some of the most popular articles in the past financial year have included switching and stopping antidepressants, correcting iron deficiency, managing hepatitis C in general practice, and retail genetics.

The journal's reputation continues to grow internationally with approximately 40,000 downloads a month from the PubMedCentral database in the USA. The doctor's bag app, designed to support Australian health professionals during emergencies, has been downloaded by 12,000 users.

[nps.org.au/australian-prescriber](http://nps.org.au/australian-prescriber)

### Social media channels

Our social media channels continue to be a valuable way to reach and engage health professionals and consumers on therapeutic programs and topics throughout the year.



Over financial year 2016–17:

<b>Total overall reach</b>	8,148,349
<b>Total overall engagement</b>	122,972
<b>Total followers</b>	61,673



	Facebook	Twitter	LinkedIn
<b>Total reach</b>	7,430,052	586,428	131,869
<b>Total engagement</b>	109,534	10,980	1,839

## SUPPORT SERVICES

### Medicines Line

Medicines Line continues to provide timely, independent, accurate and evidence-based medicines information to consumers and to assist consumers in making decisions about their medicines.

Medicines Line completed 8,354 medicines enquiries from 1 July 2016 to 30 June 2017. The common call categories include side effects, drug interactions, questions about dosage and administration, questions about mechanism/profile of a medicine, breastfeeding, complementary medicines and pregnancy.

Now in its seventh year of in-house service delivery, Medicines Line has continued to answer medicine questions on the NPS MedicineWise Facebook page. One hundred and fourteen Facebook medicine questions were answered in 2016–17, providing written medicine information, and often referring clients to information on the NPS MedicineWise website or to the Medicines Line.

### Adverse Medicine Events Line

The Adverse Medicine Events Line service provided the TGA with 142 adverse drug reaction (ADR) reports on behalf of consumers between 1 July 2016 and 30 June 2017. These reports are submitted to the TGA for analysis and contribute to national pharmacovigilance. ADR reports submitted to the TGA are now publicly available in a summarised and anonymised version on the TGA website.

### New Medicine Support Service

Taking medicines as directed provides the best results. Despite this, medicines adherence is a significant issue in Australia. To help people to take their medicines as directed in the 2015–16 financial year, we delivered a pilot of the New Medicine Support Service (NMSS), based on the NHS England program of a similar name. We developed a structured support service that was delivered through community pharmacies, and identified and supported patients on a newly prescribed medicine with adherence and other medicines-related issues. The pilot study demonstrated that the service can be implemented effectively, and that consumers responded positively and reported it to be of value.

Following the pilot's promising results, during this financial year we delivered the next phase using a randomised control trial design to assist with evaluation. The initiative shows promising initial results. More information will be available in 2018.

This trial of our New Medicine Support Service has been rolled out in partnership with North Queensland PHN.

## The COACH Program®

In January 2016 we began delivering The COACH Program® in partnership with VentureWise for patients with coronary heart disease (CHD), stroke or 'mini stroke' (TIA), peripheral vascular disease, heart failure, diabetes, chronic obstructive pulmonary disease and/or high risk of CHD or diabetes.

The COACH Program® is an evidence-based coaching program provided over the phone over a period of 6 months (5-6 sessions) with regular written follow-up. Trained health professionals support the care that patients receive from doctors and other health professionals to prevent chronic conditions from developing or getting worse.

The benefits of The COACH Program® include:

- ▶ helping patients achieve guideline-recommended targets for cholesterol, blood pressure, glucose and diabetes
- ▶ identifying gaps in treatment and developing plans that can help close these treatment gaps
- ▶ encouraging lifestyle changes based on the most recent guidelines, including improved diet, suitable physical activity or support to quit smoking
- ▶ providing advice on medicine management and getting regular tests for disease risk factors.

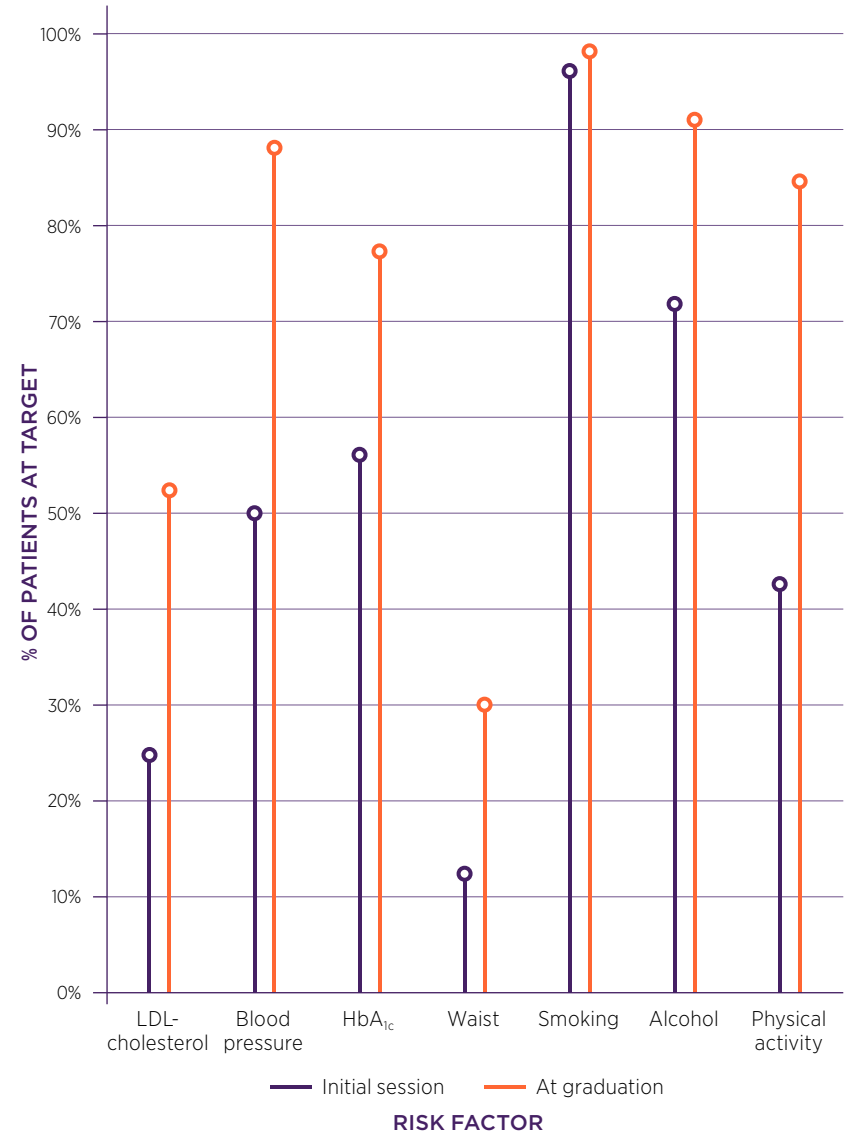


Figure 1: Demonstrating improvements in all risk factors for patients between initial sessions and graduation from The COACH Program®

# IMPACT

## ASSESSING IMPACT THROUGH RIGOROUS EVALUATION

Our evaluation practice is an iterative process of assessing the impact of our organisation and activities. We employ a multiple methods approach, which combines both quantitative and qualitative methods.

### Evaluation of the impact of our therapeutic programs

We conducted evaluations of our therapeutic programs throughout the financial year. Our evaluations utilised *MedicineInsight* data to determine the impact of our asthma, antibiotics, anticoagulants and diabetes programs.

We also used the 10% Pharmaceutical Benefits Scheme data to explore adherence to asthma medication. The majority of programs were successful in demonstrating how medication prescribing or medical test referral practice could be improved. On average 46% of GPs reported they had changed their behaviour in response to the programs.

Some of the programs where this change has been assessed in evaluations are displayed in *Figure 2*.

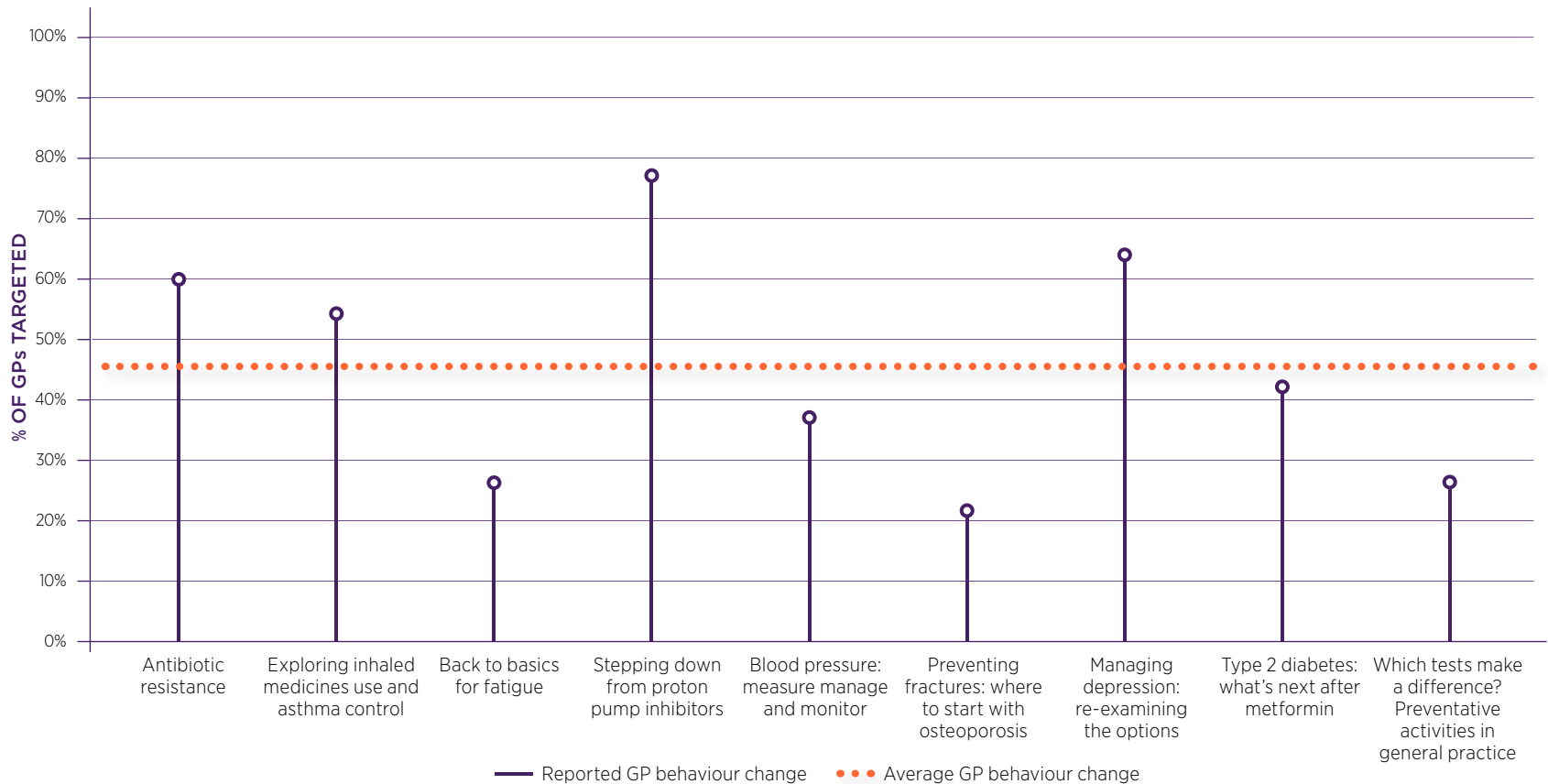
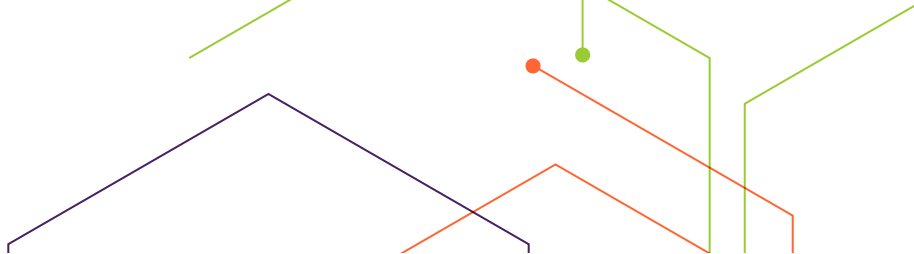


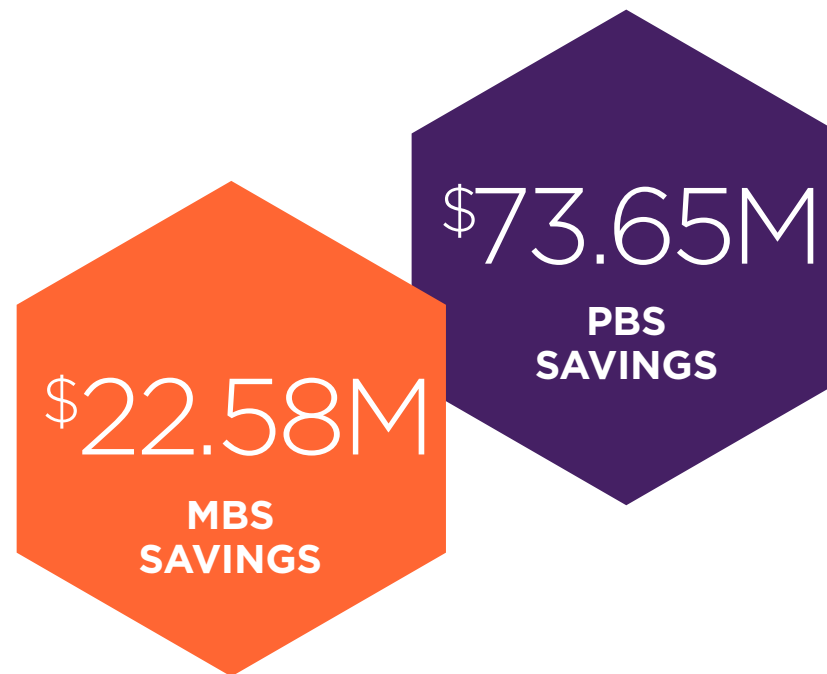
Figure 2: Reported change in GP behaviour occurring from therapeutic programs





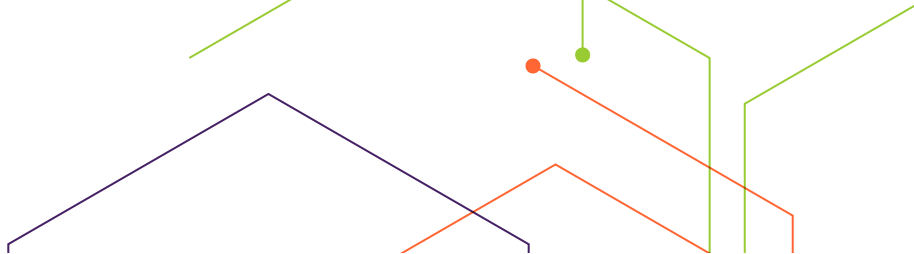
Our evaluations found that:

- ▶ the 2014 *Stepping down from proton pump inhibitors* therapeutic program was, in particular, a standout success, leading to approximately 24,000 GPs changing their prescribing behaviour
- ▶ 2015's *Blood pressure: measure, manage and monitor* program had good results with a 43% increase in the proportion of GPs who achieved recommended blood pressure targets in patients and a 70% increase in GPs who assessed and documented CVD risk as a result of participating in the Clinical Audit
- ▶ the 2015 Osteoporosis program, *Preventing fractures: where to start with osteoporosis*, had a positive impact on GPs' identification and management of patients with or at risk of osteoporosis, with 1,500 GPs changing their behaviour
- ▶ the 2015 *Chronic pain: opioids and beyond* program had over 7,000 GP participants as well as other health professionals. GPs reported an increase in knowledge about using the '5A's' assessment tool for patient review, tapering the use of opioids and implementing alternative plans if treatment goals were not being met, and agreed that opioids should be discontinued after a 4-week trial if there is no improvement in patient wellbeing
- ▶ our 2016 *Managing depression: re-examining the options* program reached over 12,000 health professionals and resulted in improved confidence about selecting antidepressants that do not interact with concurrent medicines taken by patients. The program also increased knowledge about the use of fluoxetine as a first-line choice to treat adolescents when an antidepressant is required
- ▶ the *Reducing Use of Sedatives* project, contracted by the University of Tasmania, was an academic detailing package for GPs working in residential aged care facilities. It resulted in 308 educational visits. These GPs exhibited a high level of knowledge of the key messages and reported a high likelihood that they would review their patients' sedative medicines.



Our ongoing evaluation of the impact on the quality use of medicines and medical tests in 2017 found that for every dollar spent on the 2014 Asthma program, \$2.44 was gained in monetary benefit. We also found that eight of our previous therapeutic topics contributed to \$73.65 million worth of savings to the PBS and our 2015 non-visiting imaging for abdominal pain program saved \$22.58 million for the MBS with significant reductions in CT scans and ultrasound services of the abdominal region by GPs.

For more information on evaluations please refer to the Annual Evaluation Report 2017.



## Our impact demonstrated through external evaluation

Ernst & Young conducted an independent evaluation of NPS MedicineWise in 2017, and their report highlighted these findings.

- ▶ NPS MedicineWise has a robust and rigorous approach to identifying issues and gaps between clinical practice and best practice, leading to the allocation of resources to impactful areas.
- ▶ NPS MedicineWise programs reach 14% of the population, including hard-to-reach groups
- ▶ NPS MedicineWise is unique in its process for identifying issues and gaps. It amalgamates information from a large range of data, including descriptive and qualitative research, scientific principles, results from trials and expert opinions, and engages health professionals 'on the ground'
- ▶ 89% of participating general practices benefit from *MedicineInsight* data and find practice reports useful in understanding patient care
- ▶ *MedicineInsight* represents over 3.8 million patients, including 76,000 Aboriginal or Torres Strait Islander people, over 1.1 million<sup>3</sup> disadvantaged individuals and over 78,000 living in remote locations
- ▶ a rigorous process to allocate resources is used to achieve improved value for money with potential to reach approximately 3.2 million Australians, including:
  - *Blood pressure: measure, manage and monitor* — with a potential reach of 30% of the population
  - *Preventing fractures: where to start with osteoporosis* — with a potential reach of over 4 million Australians
  - *Managing depression: re-examining the options* — with a potential reach of approximately one million Australians a year
  - *Type 2 diabetes: what's next after metformin?* — with a potential reach of approximately 1.5 million people living in Australia
  - *Chronic pain: opioids and beyond* — with a potential reach of 1 in 5 people in Australia.

Ernst & Young estimated that NPS MedicineWise activities resulted in over \$196 million in benefits to the Australian community over the period from 2013-14 to 2014-15, yielding a benefit-cost ratio of 2.18. This means that for every dollar invested by the Government in NPS MedicineWise, the benefits delivered

to the Australian community are valued at \$2.18.

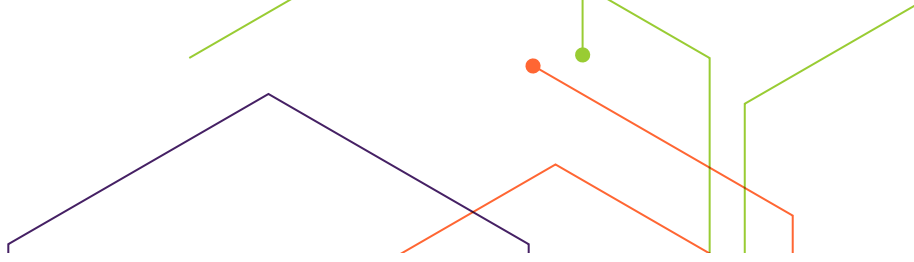
They also identified a gap in the extent of reported savings to PBS and MBS. This is because, in order to demonstrate the level of savings required by our contract with the Commonwealth Department of Health has been achieved, we only evaluate a subset of programs. As a result, the savings reported are a conservative estimate of the total value delivered by NPS MedicineWise and if the impact of all programs were included, savings would be significantly greater.



Ernst & Young identified that as well as delivering savings to the government through reduced PBS and MBS expenditure, NPS MedicineWise delivered productivity improvements in the health sector through the more efficient use of medicines and medical tests, and delivered improved health outcomes through reductions in incidents of medication-induced harm for consumers, hospitalisations and disability. All evaluated programs where prescribing was targeted resulted in a reduction in prescribing. There was a 10% average reduction across targeted medicines evaluated in 2013-14, and 9% reduction in 2014-15 as a result of therapeutic programs.

<sup>3</sup> Based on those ranked 1-4 on a 1-10 disadvantaged scale, 1 being most disadvantaged, 10 being most advantaged





### Critical support for quality use of medicines

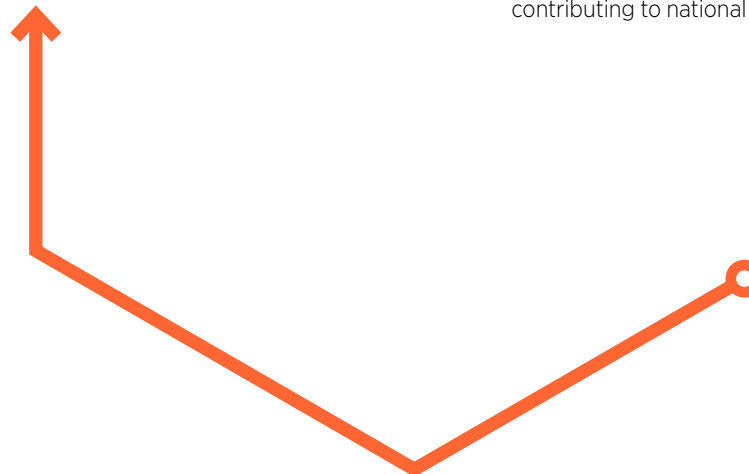
The National Medicines Policy aims to meet medication and related service needs so that optimal health outcomes and economic objectives are achieved. During the financial year Ernst & Young identified how NPS MedicineWise plays a critical role in supporting the 'Quality Use of Medicines' pillar of the National Medicines Policy.

We do this by:

- ▶ developing processes and resources for the identification, selection and effective implementation of non-medicine or medicine prevention or treatment options
- ▶ supporting health care professionals and consumers to select and use medicines, tests and health technologies according to individual needs and goals
- ▶ constructing an evaluation framework, which allows the continued monitoring of the selected treatment option against health goals, and processes to reassess choice according to these outcomes.

Ernst & Young found that by reducing the inappropriate usage of existing medicines, we support affordable medicines by making room for investment in new medicines. They recognised we achieved this through delivering evidence-based policy throughout the policy cycle, from identifying the policy problem, through providing expert advice, to implementation and evaluation. This includes, but is not limited to:

- ▶ *MedicineInsight* data, providing critical information to health professionals and policy makers to identify significant gaps and issues in public health
- ▶ supporting government policy reforms by:
  - continuously advising on public policy decisions through submissions to government consultation papers; over 30 submissions were made to government from NPS MedicineWise during 2013-16
  - presenting to working groups and committees of the MBS Review on relevant implementation activities conducted by NPS MedicineWise that deliver educational insights
  - supporting Primary Health Networks (PHNs) to provide targeted health initiatives using a patient-centred approach
  - support to and representation on a number of divisions, committees and working groups in the Department of Health
  - providing Adverse Drug Reaction reports to the TGA for analysis, and contributing to national pharmacovigilance activities.



## BOARD OF DIRECTORS



1

### Peter Turner

*BSc, MBA, GAICD*

**Board committee memberships:**  
Governance and Nomination Committee

#### **Experience**

Former Executive Director and Chief Operating Officer of CSL Limited, and Founding President of CSL Behring. Past Chairman and board member of the PPTA (Plasma Protein Therapeutics Association). Former non-executive Chair of Ashley Services Group Limited. Non-executive Director of Virtus Health Limited. Non-executive Director of Bionomics Limited. Graduate member of the Australian Institute of Company Directors.

NPS MedicineWise director since December 2012.

Chair, NPS MedicineWise Board since January 2015.

2

### Lynn Weekes AM

*BPharm, MSc, PhD, Fellow SHPA, GAICD*

#### **Experience**

Chief Executive of NPS MedicineWise since 1998 and represents the company on national committees and advisory groups. Non-executive Director National Return of Unwanted Medicines. Board Member Optometry Council of Australia and New Zealand. Registered pharmacist. Appointed as a Member of the Order of Australia in 2013 for significant service to Australian community health through the promotion of quality use of medicines.

Lynn was appointed as an NPS MedicineWise director in April 2015.

3

### Debra Kay

*PSM, BEd GradDip*

**Board committee memberships:**  
Governance and Nomination Committee

#### **Experience**

Research Fellow, South Australian Health and Medical Research Institute (SAHMRI). Former CEO of Asthma Australia and Regional Program Manager at The Smith Family.

NPS MedicineWise director since July 2013.

4

### Andrew Knight

*MBBS, MMedSci, FRACGP, FAICD*

**Board committee memberships:**  
Audit and Risk Committee

#### **Experience**

General practitioner and staff specialist in general practice at the GP Unit Fairfield Hospital. Conjoint Senior Lecturer in general practice at the University of New South Wales, University of Sydney and University of Western Sydney. Clinical Adviser for the Australian Primary Care Collaborative program. Chair of the Nepean Blue Mountains Primary Health Network.

NPS MedicineWise director since August 2010.

5

### James Langridge

*BBus, GradDipTertiaryEd, MEdAdmin, DBA, FAICD*

**Board committee memberships:**  
Audit and Risk Committee

#### **Experience**

30 years in higher education administration and until early 2009, held the joint appointments of Vice Principal (international) at the University of Wollongong and CEO/Managing Director of the ITC Group of Companies (UOW's commercial arm).

Chair, VentureWise Board since December 2014.

NPS MedicineWise director since December 2009.



6

## Winston Liaw

*MBBS, MMedSci, FRACP, GAICD, MPol&Policy*

**Board committee memberships:** Governance and Nomination Committee

### Experience

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). Serves on scientific advisory boards for the St George and Sutherland Medical Research Foundation. Improving palliative care through clinical trials, and the Palliative Care Clinical Studies Collaborative. NPS MedicineWise director since June 2010.

7

## Jennifer Morris

*BSc BA GDipSciComm*

**Board committee memberships:** Governance and Nomination Committee

### Experience

Healthcare researcher and science communicator with a focus on healthcare quality and safety. Member of the Victorian Clinical Council, holding advisory committee positions with Mercy Health, Australian Primary Health Care Nurses Association, Department of Health and Human Services (Victoria), Australian Health Practitioner Regulation Agency and Better Care Victoria. NPS MedicineWise director since May 2017.

8

## Kay Price

*RN, Dip T (Nurse Ed), MN, PhD, FACN, GAICD*

**Board committee memberships:** Chair, Governance and Nomination Committee

### Experience

Associate Professor and Research Leader in the School of Nursing and Midwifery, University of South Australia. Member of the National Research Council, Asthma Australia. Chief Investigator on the North West Adelaide Health (Cohort) Study. NPS MedicineWise director since October 2008.

9

## Deborah Rigby

*BPharm, GradDipClinPharm, AdvDipNutrPharm, AdvPracPharm, AACPA, FASCP, FACP, FPS, FSHP, FAICD*

**Board committee memberships:** Chair, Audit and Risk Committee

### Experience

Advanced Practice Pharmacist. Chair of the Society of Hospital Pharmacists of Australia Accredited Pharmacist Reference Group. Adjunct Senior Lecturer at the School of Pharmacy, University of Queensland. Visiting Fellow at Queensland University of Technology. NPS MedicineWise director since August 2008.

10

## Roger Sexton

*MBBS, DRCOG (UK), FRACGP, FACRRM, GAICD, MBA*

**Board committee memberships:** Audit and Risk Committee

### Experience

Practised as a procedural rural general practitioner for 30 years and currently works in urban general practice and as a rural locum and a clinical skills tutor at Adelaide University. A past member of the PBAC and past Presiding Member of the Medical Board of SA. Board member of national medical indemnity insurer MIGA. Member AMA, RACGP, ACRRM, RDASA, AICD. NPS MedicineWise director since March 2013.

11

## Christine Walker

*MA, PhD, MAICD*

**Board committee memberships:** Audit and Risk Committee

### Experience

CEO of Chronic Illness Alliance. Board member of the Epilepsy Foundation of Victoria. Treasurer of Epilepsy Australia. Advisory Group Member of the UNSW Research Centre for Primary Health Care and Equity. An honorary researcher at University of Melbourne Department of General Practice. Member of Community Advisory Committee Melbourne Genomics Health Alliance. Member of RACGP Standing Committee on Quality. NPS MedicineWise director from May 2011 to May 2017.

## GOVERNANCE AND NOMINATION COMMITTEE REPORT 2016-17

The Governance and Nomination Committee has a critical role in 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.

Significant activities undertaken over the past 12 months included:

- ▶ undertaking regular board 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
- ▶ a review of the board's Risk Appetite Statement and board policy on Directors' Conflict of Interest were undertaken for recommendation to the board
- ▶ board evaluation and assessment was completed, and a board director education and development session was undertaken on health data to ensure the board is abreast of rapid development and innovation in the health data governance space so it aspires to the highest standards of health data and corporate governance across the whole group.

During 2016-17 the board made two board director appointments. The role of the committee is to regularly review the recruitment and appointment processes for new board directors; assessing applicants against the criteria: and for applicants meeting the criteria, interviewing them on behalf of the board. Recommendations for an appointment to the board are then made by the committee for board consideration. Once appointed, the committee has an important role in ensuring that new board directors receive an appropriate induction to prepare them for their role on the board.

I would like to thank my fellow Governance and Nomination Committee members for their essential and meaningful contribution to the work of the committee over the past year. I have thoroughly enjoyed my tenure as Chair of the committee over the last 5 years and it is with pleasure that I hand over steerage to fellow director, Dr Andrew Knight.

### **A/Prof Kay Price**

Chair — Governance and Nomination Committee

## AUDIT AND RISK COMMITTEE REPORT 2016-17

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.

There were no changes to the composition of the committee during the financial year.

Highlights for 2016-17 are:

- ▶ recommending and approving financial governance and risk management strategies and policies
- ▶ conducting financial training programs for directors
- ▶ receiving an unqualified audit report for the 2016-17 financial year.

I would like to thank my fellow Audit and Risk Committee members for their continued efforts in ensuring NPS MedicineWise remains well placed to implement its vision and goals. To the Executive Team, our Finance Team and the Risk Team, together with our external auditor Deloitte, I extend my gratitude for your continued professional support.

### **Deborah Rigby**

Chair, Audit and Risk Committee



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## DIRECTORS' REPORT

The Directors present their report together with the annual financial report of National Prescribing Service Limited and its subsidiary ("the Group") for the financial year ended 30 June 2017.

### Directors

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

#### Non-Executive Directors

Debra Kay  
 Andrew Knight  
 James Langridge  
 Winston Liauw  
 Kay Price  
 Deborah Rigby  
 Roger Sexton  
 Peter Turner (Chair)  
 Jennifer Morris (appointed as a director on 19 May 2017)  
 Christine Walker (retired as a director on 19 May 2017)

#### Executive Director

Lynn Weekes AM

### Particulars of Directors

Name of Director and Qualifications	Board committee memberships	Experience
<b>Debra Kay PSM</b> BEd GradDip	Board Governance and Nomination Committee	Research Fellow, South Australian Health and Medical Research Institute (SAHMRI). Member, Health Performance Council of South Australia (SA) and Chair, Health Consumers Alliance of SA. Consumer representative on a range of government committees. Former CEO of Asthma Australia and Regional Program Manager at The Smith Family.  NPS MedicineWise director since 12 July 2013.
<b>Andrew Knight</b> MBBS, MMedSci, FRACGP, FAICD	Board Audit and Risk Committee	General Practitioner and staff specialist in general practice at the Fairfield GP Unit. Conjoint Senior Lecturer in general practice at the University of New South Wales and University of Western Sydney. Honorary Senior Lecturer University of Sydney. Clinical Adviser for the Australian Primary Care Collaborative program. Chair of the Nepean Blue Mountains Primary Health Network.  NPS MedicineWise director since 3 August 2010.
<b>James Langridge</b> BBus, GradDipTertiaryEd, MEdAdmin, DBA, FAICD	Board Audit and Risk Committee	30 years in higher education administration and until early 2009, held the joint appointments of Vice Principal (international) at the University of Wollongong and CEO/Managing Director of the ITC Group of Companies (UOW's commercial arm). Chair, VentureWise Pty Ltd.  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> MBBS(Syd), MMedSci(UNSW), FRACP, GAICD, MPol&Policy(Deakin)	Board Governance and Nomination 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). Serves on Scientific Advisory Boards for the St George and Sutherland Medical Research Foundation. Improving Palliative Care through Clinical Trials; and the Palliative Care Clinical Studies Collaborative. Member of leadership groups of the Translational Cancer Research Network and UNSW Sphere Cancer Academic Group.  NPS MedicineWise director since 18 June 2010.
<b>Kay Price</b> RN, Dip T (Nurse Ed), MN, PhD, FACN, GAICD	Chair, Board Governance and Nomination Committee	Associate Professor and Research Leader in the School of Nursing and Midwifery, University of South Australia. Member of the National Research Council, Asthma Australia. Chief Investigator on the North West Adelaide Health (Cohort) Study.  NPS MedicineWise director since 25 October 2008.
<b>Deborah Rigby</b> BPharm, GradDipClinPharm, AdvDipNutrPharm, AdvPracPharm, AACPA, FASCP, FACP, FPS, FSHP, FAICD	Chair, Board Audit and Risk Committee	Advanced Practice Pharmacist. Chair of the Society of Hospital Pharmacists of Australia Accredited Pharmacist Reference Group. Adjunct Senior Lecturer at the School of Pharmacy, University of Queensland. Visiting Fellow at Queensland University of Technology.  NPS MedicineWise director since 25 August 2008.
<b>Roger Sexton</b> MBBS, DRCOG(UK), FRACGP, FACRRM, GAICD, MBA (Adel), Member AMA, RACGP, ACRRM, RDASA, AICD	Board Audit and Risk Committee	Practised as a procedural rural General Practitioner for 30 years and currently works in urban general practice and as a rural locum and a clinical skills tutor at Adelaide University. A past member of the PBAC and past Presiding Member of the Medical Board of SA. Board member of national medical indemnity insurer MIGA.  NPS MedicineWise director since 8 March 2013.
<b>Peter Turner (Chair)</b> BSc, MBA, GAICD	Board Governance and Nomination Committee	Former Executive Director and Chief Operating Officer of CSL Limited, and Founding President of CSL Behring. Past Chairman and Board member of the PPTA (Plasma Protein Therapeutics Association). Non-executive director of Virtus Health Limited and Bionomics Limited. Previous Chair of Ashley Services Group Limited. Graduate member of the Australian Institute of Company Directors.



## DIRECTORS' REPORT (Continued)

### Particulars of Directors (Continued)

Name of Director and Qualifications	Board committee memberships	Experience
<b>Christine Walker</b> MA, PhD, MAICD	Board Audit and Risk Committee	NPS MedicineWise director since 9 December 2012. Chair, NPS MedicineWise Board since 1 January 2015.  CEO of Chronic Illness Alliance. Board member of the Epilepsy Foundation of Victoria. Treasurer of Epilepsy Australia. Advisory Group Member of the UNSW Research Centre for Primary Health Care and Equity. An honorary researcher at University of Melbourne Department of GP. Member of Community Advisory Committee Melbourne Genomics Health Alliance. Member of RACGP Standing Committee on Quality.  NPS MedicineWise director from 19 May 2011 to 19 May 2017.
<b>Jennifer Morris</b> BSc BA GDipSciComm	Board Governance and Nomination Committee	Healthcare researcher and science communicator with a focus on healthcare quality and safety – in particular the wellbeing, experiences, perspectives and contributions of healthcare consumers.  Member of the Victorian Clinical Council, holding advisory committee positions with Mercy Health, Australian Primary Health Care Nurses Association, Department of Health and Human Services (Victoria), Australian Health Practitioner Regulation Agency and Better Care Victoria.  NPS MedicineWise director since 19 May 2017.
<b>Lynn Weekes AM</b> BPharm, MSc, PhD, Fellow SHPA, GAICD		Chief Executive of NPS MedicineWise since 1998 and represents the company on national committees and advisory groups. Non-Executive Director National Return of Unwanted Medicines. Registered pharmacist. Appointed as a Member of the Order of Australia in 2013 for significant service to Australian community health through the promotion of quality use of medicines.

### Company Secretary

Kerry-Ann Aitken was reappointed as Company Secretary effective from 1 July 2017.

## DIRECTORS' REPORT (Continued)

### 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	Meetings of Directors		Board Audit and Risk Committee meetings		Board Governance and Nomination Committee meetings	
	Number eligible to attend	Number of meetings attended	Number eligible to attend	Number of meetings attended	Number eligible to attend	Number of meetings attended
Debra Kay	5	5			5	4
Andrew Knight	5	4	5	5		
James Langridge	5	4	5	4		
Winston Liauw	5	5			5	4
Kay Price	5	5			5	5
Deborah Rigby	5	4	5	4		
Roger Sexton	5	5	5	5		
Peter Turner	5	5			5	4
Christine Walker	4	4	4	4		
Jennifer Morris	1	1				
Lynn Weekes	5	5				

### Principal Activities

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.

Our work is relevant to decisions about medicine use by an individual or within a community. The term 'medicine' includes prescription, non-prescription and complementary medicines. Our work now extends to improving decisions about the use of diagnostic imaging and pathology testing.

The company's long term goals are that:

- Quality use of medicines and medical tests is widely understood and implemented.
- Quality use of medicines and medical tests is embedded in health systems.
- Australia has cost-effective health improvements as a result of NPS MedicineWise activities.
- We are a centre of excellence, recognised as the most trusted organisation for improving quality use of medicines.
- We are a successful and responsive organisation.

## DIRECTORS' REPORT (Continued)

### Operating Results

The net surplus for the year ended 30 June 2017 was \$479,728 (2016: \$408,452).

### Performance measures

	2017		2016	
	Target	Actual	Target	Actual
Reported PBS Savings (\$M) <sup>1</sup>	70.00	73.65	70.00	75.21
Reported MBS Savings (\$M) <sup>2</sup>	13.00	22.58	13.00	19.30
Number unique GP participants	14,000	15,998	14,000	14,402
Number consumer interactions	1,200,000	1,924,000	1,000,000	1,836,500

<sup>1</sup> The PBS savings reported for a particular year are based on the evaluation report completed during the year, based on prior year data.

<sup>2</sup> The MBS savings reported in 2017 covers savings for the period of June 2015 to December 2016.

### Review of Operations

NPS MedicineWise continued to work towards its mission to build a medicinewise Australia during the 2016-17 financial year. Services included health professional knowledge transfer and clinical improvement programs, consumer education and awareness campaigns, 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 completed primary care educational visiting programs for osteoporosis and depression, we launched programs for ankle and knee imaging, type 2 diabetes and COPD, and continued our work on combating antibiotic resistance by raising awareness about inappropriate prescribing and use of antibiotics. We increased our reach with clinicians and pharmacists, and implemented new interventions including the New Medicines Support Service and pharmacy visits.

MedicineInsight continued to mature and participating practices had access to quality improvement reports on diabetes and COPD. Our MedicineWise App was enhanced with new features and the technical build is complete for linkage to the My Health Record (pending approval from the Australian Digital Health Agency). The NPS MedicineWise website was rebuilt to be AA compliant.

### 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

In August 2017, the NPS MedicineWise board of directors passed a resolution to extend the maturity date of the Loan Facility Agreement between the Company and VentureWise by 12 months. Apart from the above, no matters or circumstances have arisen since the end of the financial year which have a significant effect on the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## DIRECTORS' REPORT (Continued)

### 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 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 2017, there were 47 members of the company (2016: 47).

### 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 Company has paid premiums in respect of directors' and officers' liability insurance contracts for the year ended 30 June 2017.

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

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 Company or intervened in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

### Auditor's Independence Declaration

The auditor's independence declaration is included on page 41 of the annual report.

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

**Peter Turner**  
Chair of National Prescribing Service Limited

**Deborah Rigby**  
Director & Chair of the Audit and Risk Committee

Dated at Sydney: 22/9/17





Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Grosvenor Place  
225 George Street  
Sydney, NSW, 2000  
Australia

Phone: +61 2 9322 7000  
www.deloitte.com.au

The Board of Directors  
National Prescribing Service Limited  
Level 7  
418A Elizabeth Street  
SURRY HILLS NSW 2010

22 September 2017

Dear Board Members

#### National Prescribing Service Limited

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012 (Cth), I am pleased to provide the following declaration of independence to the directors of National Prescribing Service Limited.

As lead audit partner for the audit of the financial statements of National Prescribing Service Limited and its subsidiary for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor 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.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Gaile Timperley  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Touche Tohmatsu Limited

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	Group 2017 \$	Group 2016 \$
Revenue	4	47,847,239	42,043,850
Operational Expenses	5	(12,122,936)	(11,013,002)
Gross Surplus		<u>35,724,303</u>	<u>31,030,848</u>
Other Income	4	24,753	178,194
Finance Income	4	337,070	446,475
Employee Related Costs	5	(30,842,040)	(26,823,159)
Overheads – Fixed Costs	5	(2,547,631)	(2,475,794)
Overheads – Variable Costs	5	<u>(2,216,727)</u>	<u>(1,948,112)</u>
Net Surplus /(Deficit) before Income Tax		<u>479,728</u>	<u>408,452</u>
Income Tax Expense		-	-
Surplus For the Year		<u>479,728</u>	<u>408,452</u>
Items that will not be reclassified subsequently to profit or (loss)		-	-
Items that may be reclassified subsequently to profit or (loss)		-	-
Total comprehensive Surplus/(Deficit) for the year		<u>479,728</u>	<u>408,452</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 2017**

	Note	Group 2017 \$	Group 2016 \$
<b>ASSETS</b>			
Cash and Cash Equivalents	7	10,057,602	12,664,202
Trade and Other Receivables	8	1,007,750	796,501
Other Assets	9	784,204	797,113
Total Current Assets		<u>11,849,556</u>	<u>14,257,816</u>
Other Assets	9	200	200
Property, Plant and Equipment	10	<u>736,480</u>	<u>951,832</u>
Total Non-Current Assets		<u>736,680</u>	<u>952,032</u>
Total Assets		<u>12,586,236</u>	<u>15,209,848</u>
<b>LIABILITIES</b>			
Trade and Other Payables	11	5,729,478	9,570,612
Provisions	12	<u>2,590,531</u>	<u>1,983,856</u>
Total Current Liabilities		<u>8,320,009</u>	<u>11,554,468</u>
Provisions	12	<u>1,091,003</u>	<u>959,884</u>
Total Non-Current Liabilities		<u>1,091,003</u>	<u>959,884</u>
Total Liabilities		<u>9,411,012</u>	<u>12,514,352</u>
NET ASSETS		<u>3,175,224</u>	<u>2,695,496</u>
<b>EQUITY</b>			
Retained Earnings	13	<u>3,175,224</u>	<u>2,695,496</u>
TOTAL EQUITY		<u>3,175,224</u>	<u>2,695,496</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 2017**

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2015	2,287,044	2,287,044
Total Comprehensive Income for the Year		
Surplus for the Year	<u>408,452</u>	<u>408,452</u>
Balance at 30 June 2016	<u>2,695,496</u>	<u>2,695,496</u>
Total Comprehensive Income for the Year		
Surplus for the Year	<u>479,728</u>	<u>479,728</u>
Balance at 30 June 2017	<u>3,175,224</u>	<u>3,175,224</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 2017

	Note	Group 2017 \$	Group 2016 \$
<b>Cash flows from Operating Activities</b>			
Receipt of Department of Health funding		44,656,699	46,508,000
Receipts from customers		2,984,850	802,977
Interest received		337,070	446,475
Payments to suppliers & employees		(50,218,690)	(47,967,861)
Net Cash Used in by Operating Activities	15	<u>(2,240,071)</u>	<u>(210,409)</u>
<b>Cash flows from Investing Activities</b>			
Payments for property, plant and equipment		(366,529)	(806,830)
Net Cash Used in Investing Activities		<u>(366,529)</u>	<u>(806,830)</u>
<b>Net (Decrease)/Increase in Cash Held</b>			
		(2,606,600)	(1,017,239)
Cash and Cash Equivalents at the Beginning of the Year	7	<u>12,664,202</u>	<u>13,681,441</u>
Cash and Cash Equivalents at the End of the Year		<u>10,057,602</u>	<u>12,664,202</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

**1 Corporate Information**

These financial statements and notes represent those of National Prescribing Service Limited (NPS MedicineWise) for the year ended 30 June 2017 are presented as consolidated financial statements and represent those of the Company and controlled entity ("the Group").

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 financial statements were authorised for issue by the directors on 22 September 2017.

**2 Statement of Significant Accounting Policies**

**a) Basis of Preparation**

These 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, are consistent with those of the previous period.

All amounts are presented in Australian dollars.

The Company is a not-for-profit entity.

**b) Statement of Compliance**

These 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 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 financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

**d) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company 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 Company 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 Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights

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

**(d) Basis of consolidation (continued)**

in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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 Company 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 Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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.

**e) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the accrued benefits will flow to the Company. The following specific recognition criteria also apply before revenue is recognised:

*Government Contract*

Government contract income is initially recognised as a liability and revenue is recognised where control passes, which normally occurs as services are performed or conditions fulfilled.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

*Other Income*

Other income is recognised as services are rendered or conditions fulfilled.

*Sale of Non-Current Assets*

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and is included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

**f) Advertising Expense**

Advertising costs are expensed as work performed by the advertising agent is completed.

**g) Income Tax**

The Company has obtained an income tax ruling and is tax exempt pursuant to Section 50-B of the Income Tax Assessment Act 1997.

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

**h) Cash and Cash Equivalents**

Cash and short term deposits are carried at face value of the amounts deposited or drawn. The carrying amounts of cash and short 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.

**i) 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.

**j) 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.

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.

**k) Impairment of Financial Assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that the asset may be impaired. A financial asset is considered impaired if the evidence indicates one or more events have had a negative effect on the estimated future cash inflows of that asset.

Individually significant financial assets are tested for impairment separately. The remaining financial assets are assessed on a group basis based on credit risk.

An impairment loss on a held-to-maturity investment is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss on an available-for-sale financial asset is calculated by reference to its fair value.

Impairment losses are recognised in the profit or loss.

2 Statement of Significant Accounting Policies (continued)

l) **Impairment of Non-Financial Assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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) **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period they are incurred.

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 company 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 the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability.
- *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**

*Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments (other than those held for trading purposes) are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as follows:

- *Held-to-maturity investment*  
At amortised cost less impairment losses.
- *Available-for-sale financial assets*  
At fair value and changes other than impairment losses and foreign exchange gains and losses are recognised in a separate component of equity.
- *Financial assets (held for trading purposes)*  
At fair value through profit or loss.
- *Other*  
At amortised cost using the effective interest method, less any impairment losses.

*Derivative financial instruments*

No derivative financial instruments are used by the Group to hedge its interest rate exposures.

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**

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations have no change to the Group's accounting policies.

t) **New Accounting Standards and Interpretations for Application in Future Periods**

At the date of authorisation of the financial statements, the Standards and Interpretations relevant to the Group listed below were in issue but not yet effective.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2 Statement of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations for Application in Future Periods (continued)

Standard interpretation

	Effective for annual reporting periods beginning on or after	Applicability for year ended 30 June 2017
AASB 9 <i>Financial Instruments</i> , and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 <i>Revenue from Contracts with Customers</i> , AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> , AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> , and AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 January 2019	30 June 2020
AASB 16 <i>Leases</i>	1 January 2019	30 June 2020
AASB 2017-2 <i>Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle</i>	1 January 2017	30 June 2018
AASB 1058 – <i>Income of Not-for-Profit Entities</i>	1 January 2019	30 June 2020
AASB Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2019	30 June 2020

There are no other impending changes that will have a material impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 judgments, 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.

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 has 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3 Financial Risk Management (continued)

**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.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017 \$	Group 2016 \$
<b>4 Revenue</b>		
Operating Activities		
Expended Department of Health funds	44,843,836	40,695,392
Other revenue	3,003,403	1,348,458
	<u>47,847,239</u>	<u>42,043,850</u>
Other Income		
Expense recovery	24,753	26,382
Seminar registration fees	-	151,812
	<u>24,753</u>	<u>178,194</u>
Finance Income		
Interest on bank deposits	337,070	446,475
Total Finance Income	<u>337,070</u>	<u>446,475</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017	Group 2016
	\$	\$
<b>5 Surplus for the Year</b>		
The surplus before income tax expense has been determined after crediting/charging the following items of income and expense.		
Operational Expenses		
Travel	801,826	844,403
Computers	658,159	694,937
Consumables	26,543	22,510
Communications	132,495	108,447
Data Processing, Printing and Distribution	965,878	1,333,719
Support services	698,434	754,357
Public affairs management (including major campaigns) – Note 1	838,211	1,533,691
Contracts (including partners in program delivery)	730,256	775,021
Grants	49,851	-
Fees (consultant fees and sitting fees) – Note 2	7,221,283	4,945,917
Total Operational Expenses	<u>12,122,936</u>	<u>11,013,002</u>
Employee Related Costs		
Wages	27,219,032	23,701,760
On costs	3,623,008	3,121,399
	<u>30,842,040</u>	<u>26,823,159</u>

Note 1: Biennial National Medicine Symposium campaign held in 2016.

Note 2: Increases in Fees (consultant fees) primarily relate to costs incurred in relation to work performed on MedicineWise App Integration with My Health Record, development of MedicineInsight portal and development of a secondary data extraction tool during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017	Group 2016
	\$	\$
<b>5 Surplus for the Year (continued)</b>		
Overheads – Fixed Costs		
Premises	1,680,179	1,696,214
Administration	142,442	124,086
Insurances	143,129	138,852
Depreciation	581,881	516,642
	<u>2,547,631</u>	<u>2,475,794</u>
Overheads – Variable Costs		
Travel	268,505	303,905
Computers	744,818	660,949
Consumables	66,976	80,623
Communications	145,048	151,726
Distribution	8,878	28,302
Printing & design	105,050	175,077
Support services	79,984	65,713
Public relations & media	1,327	2,576
Entertainment	73,326	76,901
Financial charges	20,257	16,328
Fees (consultant fees and sitting fees)	700,765	384,540
Fringe benefits tax	1,793	1,472
	<u>2,216,727</u>	<u>1,948,112</u>
Rental Expenses on Operating Leases	<u>1,411,743</u>	<u>1,388,537</u>
Depreciation		
Furniture & fittings	30,804	50,415
Office equipment	5,710	10,687
Leasehold improvements	12,240	88,694
Computer equipment	341,870	227,456
Computer software	191,257	139,390
Total Depreciation Expense	<u>581,881</u>	<u>516,642</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017 \$	Group 2016 \$
<b>6 Auditor's Remuneration</b>		
Auditing and review of the financial report	56,100	55,100
<b>7 Cash and Cash Equivalents Current</b>		
Cheque account	1,382,479	428,882
Business investment account	671,591	1,734,020
Term deposits	8,003,532	10,500,000
Petty cash	-	1,300
	<u>10,057,602</u>	<u>12,664,202</u>

The effective interest rate on short-term bank deposits was 2.67% (2016: 2.91%). These deposits have an average maturity of 86 days.

	Group 2017 \$	Group 2016 \$
<b>8 Trade and Other Receivables Current</b>		
Interest Receivable	39,258	63,445
Accounts Receivable	968,492	733,056
	<u>1,007,750</u>	<u>796,501</u>

No allowance has been made for unrecoverable receivables for 2017 (2016:\$0).

	Group 2017 \$	Group 2016 \$
<b>9 Other Assets Current</b>		
Prepayments - other	760,914	791,411
Corporate gifts	4,097	5,702
Income Tax Refundable	19,193	-
	<u>784,204</u>	<u>797,113</u>

**Non-Current**

Security deposit – other	200	200
	<u>200</u>	<u>200</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017 \$	Group 2016 \$
<b>10 Property, Plant &amp; Equipment Non-current</b>		
Furniture & fittings - at cost	652,225	653,210
Accumulated depreciation	(631,659)	(601,840)
	<u>20,566</u>	<u>51,370</u>
Computer equipment – at cost	1,160,161	968,809
Accumulated depreciation	(743,903)	(432,485)
	<u>416,258</u>	<u>536,324</u>
Office equipment – at cost	95,594	146,568
Accumulated depreciation	(83,810)	(138,995)
	<u>11,784</u>	<u>7,573</u>
Leasehold improvements – at cost	1,285,298	1,267,819
Accumulated depreciation	(1,255,186)	(1,242,946)
	<u>30,112</u>	<u>24,873</u>
Computer software – at cost	1,821,040	1,703,716
Accumulated depreciation	(1,563,280)	(1,372,024)
	<u>257,760</u>	<u>331,692</u>
Total property, plant and equipment	<u>736,480</u>	<u>951,832</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

**Movements in Carrying Amounts**

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

	<i>Furniture &amp; fittings</i>	<i>Computer Equipment</i>	<i>Office equipment</i>	<i>Leasehold improvements</i>	<i>Computer software</i>	<i>Total</i>
<b>Balance at the beginning of year</b>	51,370	536,324	7,573	24,873	331,692	951,832
<b>Additions</b>	-	221,804	9,921	17,479	117,325	366,529
<b>Depreciation expense</b>	(30,804)	(341,870)	(5,710)	(12,240)	(191,257)	(581,881)
<b>Carrying amount at the end of the year</b>	20,566	416,258	11,784	30,112	257,760	736,480

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	<b>Group 2017</b>	<b>Group 2016</b>
	\$	\$
<b>11 Trade and Other Payables Current</b>		
Creditors	3,174,549	3,183,771
Accruals	422,903	701,264
Superannuation payable	300,313	259,478
Net GST liability	504,132	527,152
Prepaid income	1,129,658	4,898,947
PAYG payable	216,167	-
	<u>5,747,722</u>	<u>9,570,612</u>
<b>Prepaid Incomes</b>		
Department of Health Prepaid income	-	4,228,592
Other Prepaid income - committed	1,147,902	670,355
	<u>1,147,902</u>	<u>4,898,947</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.

	<b>Group 2017</b>	<b>Group 2016</b>
	\$	\$
<b>12 Provisions Current</b>		
Provisions for annual leave	1,764,031	1,383,008
Provisions for long service leave	826,500	600,848
	<u>2,590,531</u>	<u>1,983,856</u>
<b>Non-Current</b>		
Provision for lease restoration costs	476,353	433,048
Provision for long service leave	614,650	526,836
	<u>1,091,003</u>	<u>959,884</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017 \$	Group 2016 \$
<b>13 Retained Earnings</b>		
Balance at the beginning of the financial year	2,695,496	2,287,044
Surplus for the year	479,728	408,452
Balance at the end of the financial year	<u>3,175,224</u>	<u>2,695,496</u>

**14 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 2017 was 47 (2016 – 47).

**15 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 surplus for the year:

	Group 2017 \$	Group 2016 \$
Surplus/(Deficit) for the year	479,728	408,452
Depreciation	581,881	516,642
Loss on disposal of property, plant and equipment	-	-
Changes in Working Capital: assets and liabilities:		
(Increase) in trade and other receivables	(211,249)	(723,883)
Decrease in other assets	32,100	6,437
(Decrease) in trade and other payables	(3,841,132)	(398,107)
Increase in provisions	718,601	(19,950)
Net cash (used in) by operating activities	<u>(2,240,071)</u>	<u>(210,409)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

**16 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 2017 \$	Group 2016 \$
Transactions with key management personnel		
<b>Key Management Personnel Compensation</b>		
Short-term employee benefits	507,907	471,812
Total compensation	<u>507,907</u>	<u>471,812</u>

**17 Economic Dependency**

The Group's ongoing operations are dependent on continuation of contractual arrangements with the Australian Government Department of Health.

**18 Segment Information**

The Group's only 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.

**19 Capital and Leasing Commitments**

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts:

	Group 2017 \$	Group 2016 \$
Payable		
Not later than one year	2,241,355	3,514,761
Later than one but not later than five years	1,656,031	2,646,364
	<u>3,897,386</u>	<u>6,161,125</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20 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 2017

	Carrying amount \$	6 months or less \$
Non-derivative financial liabilities		
Trade and other payables	3,118,449	3,052,073
	<u>3,118,449</u>	<u>3,052,073</u>

30 June 2016

	Carrying amount \$	6 months or less \$
Non-derivative financial liabilities		
Trade and other payables	3,126,192	3,126,192
	<u>3,126,192</u>	<u>3,126,192</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20 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 2017 \$	Group 2016 \$
<b>Fixed rate instruments</b>		
Financial assets	8,003,532	10,500,000
	<u>8,003,532</u>	<u>10,500,000</u>
<b>Variable rate instruments</b>		
Financial assets	2,054,070	2,162,902
	<u>2,054,070</u>	<u>2,162,902</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 \$20,541 (2016: \$21,629).

21 Related Party Transactions

a) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 16 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 during or since the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

**22 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:  
DeloitteToucheTohmatsu  
Grosvenor Place, 225 George 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)  
8/8 Phipps Close  
Deakin ACT 2600

Melbourne:

National Prescribing Service Limited (NPS MedicineWise)  
Level 4, 176 Wellington Parade  
East Melbourne VIC 3002

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

**23 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 2017 \$	Company 2016 \$
Current Assets	12,280,625	14,020,034
Non-Current Assets	735,145	949,621
Total Assets	<u>13,015,770</u>	<u>14,969,655</u>
Current Liabilities	8,148,695	10,814,708
Non-Current Liabilities	1,091,003	959,884
Total Liabilities	<u>9,239,698</u>	<u>11,774,592</u>
Net Assets	<u><b>3,776,072</b></u>	<u><b>3,195,063</b></u>
Retained Earnings	3,776,072	3,195,063
Total Equity	<u><b>3,776,072</b></u>	<u><b>3,195,063</b></u>
Surplus for the Year	581,009	786,337
Other Comprehensive Income for the Year	-	-
Total Comprehensive Income for the Year	<u>581,009</u>	<u>786,337</u>

**24 SUBSEQUENT EVENTS**

In August 2017, the NPS MedicineWise board of directors passed a resolution to extend the maturity date of the Loan Facility Agreement between the Company and VentureWise by 12 months. Apart from the above, no matters or circumstances have arisen since the end of the financial year which have a significant effect on the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## 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



**Peter Turner**  
Chair of National Prescribing Service Limited



**Deborah Rigby**  
Director & Chair of the Audit and Risk Committee

Dated at Sydney:

22/9/17

# Deloitte.

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Grosvenor Place  
225 George Street  
Sydney, NSW, 2000  
Australia

Phone: +61 2 9322 7000  
www.deloitte.com.au

## Independent Auditor's Report to the members of National Prescribing Service Limited

### Opinion

We have audited the financial report of National Prescribing Service Ltd and its subsidiary (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 directors' declaration of the consolidated Group, comprising the entity and the entity it controlled at the year's end or from time to time during the financial year as set out on pages 41 to 54.

In our opinion the accompanying financial report of the Group, is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)* (the ACNC Act), including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 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 Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the ACNC Act, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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 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 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.

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Touche Tohmatsu Limited



## The Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## 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 the 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 this 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 control.
- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 Group 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.

We communicate with the directors 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.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Gaile Timperley*

Gaile Timperley  
Partner  
Chartered Accountants  
Sydney, 22 September 2017

[www.nps.org.au](http://www.nps.org.au)

Independent, not-for-profit and evidence-based, NPS MedicineWise enables better decisions about medicines, medical tests and other health technologies. We receive funding from the Australian Government Department of Health. ABN 61 082 034 393

Level 7/418A Elizabeth Street Surry Hills NSW 2010  
PO Box 1147 Strawberry Hills NSW 2012  
☎ 02 8217 8700 📠 02 9211 7578 @info@nps.org.au