



National Prescribing Service Limited

## Our vision

To be the most trusted source of independent information about medicines for Australians.

## Our mission

To create an awareness, culture and environment that will support Quality Use of Medicines among all stakeholders.

Quality Use of Medicines means:

- selecting management options wisely
- choosing suitable medicines if a medicine is considered necessary
- using medicines safely and effectively.

## Our goal

To improve the health of all Australians through Quality Use of Medicines in partnership with stakeholders by:

- supporting nationally coordinated approaches to Quality Use of Medicines
- providing independent information about medicines to health professionals and consumers
- delivering messages about medicines to health professionals and consumers using multiple strategies and services to support change in behaviour
- encouraging and supporting cross-discipline and cross-sector collaborations that promote Quality Use of Medicines
- utilising incentives that support Quality Use of Medicines initiatives
- undertaking ongoing evaluation.

## Our members

We are a company limited by guarantee, not-for-profit and independent. We began operating in March 1998.

Our company membership comprises 36 peak organisations representing health professionals, consumer and research bodies, Government, the healthcare and pharmaceutical industries.

Australasian College of Dermatologists

Australian College of Rural and Remote Medicine

Australasian Society of Clinical and Experimental Pharmacologists and Toxicologists

Australian and New Zealand College of Anaesthetists

Australian Council of Social Service

Australian Dental Association

Australian Divisions of General Practice

Australian Healthcare Association

Australian Lung Foundation

Australian Medical Association

Australian Nursing Federation

Australian Pensioners and Superannuants Federation

Australian Private Hospitals Association

Australian Self-Medication Industry

Carers Association of Australia

Consumers' Health Forum of Australia

COTA National Seniors

Department of Health and Ageing,  
Commonwealth of Australia

Department of Veterans' Affairs,  
Commonwealth of Australia

Diabetes Australia

Generic Medicines Industry Association

Health Consumers of Rural and Remote Australia

Medicines Australia

National Aboriginal Community Controlled  
Health Organisation

National Asthma Council Australia

National Heart Foundation of Australia

NSW Therapeutic Assessment Group

Pharmaceutical Society of Australia

Pharmacy Guild of Australia

Royal Australasian College of Physicians

Royal Australian College of General Practitioners

Royal Australian and New Zealand  
College of Psychiatrists

Royal College of Nursing, Australia

Rural Doctors Association of Australia

Society of Hospital Pharmacists of Australia

Victorian Postgraduate Medical Foundation

## Independent, evidence-based, focussed on quality

NPS works with health professionals, Government, industry and consumers to improve the health of all Australians through Quality Use of Medicines.



### Education and quality assurance program

Through this program, health professionals are given opportunities to participate in education activities and use quality assurance tools to reflect on their own practice and explore and apply evidence-based therapeutic guidelines.

- *Prescribing Practice Review* provides feedback of prescribing data to all 18 000 GPs, along with practical independent information for GPs and other medical specialists, four times a year.
- Case studies for GPs and pharmacists help refine decision-making skills (8 029 completed this year).
- Clinical audits and self-audits allow GPs and pharmacists to assess their own practice against evidence-based guidelines (3 651 completed this year).

### Pharmaceutical decision support

Through our Pharmaceutical Decision Support Program, we play a key role in coordinating access to independent Quality Use of Medicines information for prescribers and pharmacists via their computers.

To do this, we work in partnership with Government, software vendors and developers, professional interest groups, knowledge providers and academics. This year to encourage the inclusion of Quality Use of Medicines in electronic tools, we developed software guides and piloted an electronic clinical audit for GPs.



### Programs delivered at the local level

NPS activities coordinated through 110\* divisions of general practice throughout Australia include:

- educational visiting (7 133 visits made this year)
- divisional case study group discussions (attended by 2 681 health professionals this year)
- local coordination of clinical audits
- medication review
- building relationships with GPs and pharmacists, and between health professionals, hospitals and nursing homes.

\* Includes contracts completed with the Queensland Rural Medical Support Agency and work undertaken by the Drug and Therapeutics Information Service (DATIS) in South Australia.

### Curriculum and training

In partnership with medical, pharmacy and nursing schools, and postgraduate training organisations and colleges we provide education materials for undergraduate and postgraduate students. Our web-based training program for undergraduate medical students is being used by nine of the eleven medical faculties in Australia.

We have also developed a training kit for people other than prescribers working in the area of Quality Use of Medicines.



### Independent information

Independent, balanced, evidence-based information about medicines is regularly provided to health professionals through:

- *Australian Prescriber* and *NPS News*, distributed six times a year to more than 55 000 health professionals and students
- *Pharmacy Letter*, distributed to all pharmacists five times a year
- **▶** *Radar*, providing timely and independent information to prescribers and consumers on new and revised listings to the Pharmaceutical Benefits Schedule
- the *NPS Therapeutic Advice and Information Service (TAIS)*, a nationally operated phone-in service for health professionals; 6 190 calls were received this year, mostly from GPs and community pharmacists.

### Community Quality Use of Medicines program

**▶** This new program is being developed in partnership with the Consumers' Health Forum and other consumer groups. Through mass media campaigns and local community interventions, consumers will have access to much needed information about Quality Use of Medicines.

**▶** *Medicines Line* provides consumers with telephone access to independent, accurate information about medicines including prescription medicines, over-the-counter medicines, herbal and natural therapies. In its first six months of operation, 4 588 calls were answered by *Medicines Line*.

Our national campaign, *common colds need common sense*, ran again this year for the third time.



## Strategic directions: where to next?



Dr Stephen Phillips  
Chair

### Key factors to success:

- independence and accuracy of information
- operational independence
- partnerships
- blend of national/ local operations
- services valued by stakeholders
- understanding of and ability to influence the political environment
- highly skilled staff
- service focus
- creativity and innovation.

Over the last five years NPS has developed a culture based on service provision, a desire to support health professionals and consumers to engage more actively in Quality Use of Medicines, and an appreciation of the systemic barriers to this engagement.

During this time, we have also been able to respond to opportunities to expand and reinforce our services, leading to substantial growth and maturation of NPS as a service-oriented organisation.

Underpinning our culture is a collaborative approach to working with others interested in Quality Use of Medicines. Excellent working relationships with National Medicines Policy partners, member organisations and stakeholders has enabled us to actively influence National Medicines Policy and facilitate consistency of initiatives that support Quality Use of Medicines.

### Environmental chain

Working within the framework of the National Medicines Policy, and Quality Use of Medicines in particular, means that we must be mindful of those most affected by and most able to influence Quality Use of Medicines. Engaging with all players in the 'environmental chain' that leads to Quality Use of Medicines will remain an essential characteristic of the way in which we work.

Consistent with the principles of Quality Use of Medicines, our work will continue to be undertaken in cognisance of and engagement with all players in the field, including consumers.

### Core business

Our role is to implement the Quality Use of Medicines arm of the National Medicines Policy. To that end, our core business will encompass:

- education and tools to change or guide prescribing/dispensing/administering behaviours among relevant health professionals
- services to inform consumers and raise their awareness about Quality Use of Medicines issues (eventually leading to behaviour change)
- activities and advice that inform and influence national policy and advocacy about medicines
- products that distil and communicate information about medicines that is accurate and unbiased
- capacity building in all sectors to assist stakeholders take a more active part in Quality Use of Medicines initiatives
- evaluating NPS strategies and developing methodologies for evaluating broader Quality Use of Medicines initiatives.

Progress in core activities in 2002–2003 is detailed in this Annual Report.

### Progress this year

Existing programs were consolidated this year and two new programs commenced, supported by funding from the Department of Health and Ageing:

- Radar aimed at providing health professionals with accurate, unbiased information on new and revised drug listings on the Pharmaceutical Benefits Schedule

Dr Lynn Weekes  
Chief Executive Officer



- Community Quality Use of Medicines program aimed at raising awareness among consumers of Quality Use of Medicines issues and building the capacity of relevant stakeholders to implement Quality Use of Medicines activities (see pages 8–9 for details).

As with all our programs, rigorous evaluation will be undertaken to ensure new programs are meeting required objectives.

These new activities and increased levels of activity in our existing programs have meant increased expenditure this year, as well as considerable growth in staff numbers and capacity.

### Are we meeting our goals?

We are answering this critical question with ongoing evaluation of our strategies. Process, scope and reach of activities are being measured as are changes in awareness, skills and behaviours that support Quality Use of Medicines, changes in prescribing behaviour and health outcomes and changes to the Pharmaceutical Benefits Scheme (PBS) resulting from NPS programs.

Results of national surveys of GPs, pharmacists and consumers, and quantitative and qualitative evaluation of some of our products are included in this report.

Long-term changes to the use of medicines which may be attributed to NPS activities are being tracked using a range of existing data-sets, including data

from the Health Insurance Commission on subsidised medicines and an ongoing survey of community pharmacies undertaken annually by the Pharmacy Guild for the Drug Utilisation Sub-Committee of the Pharmaceutical Benefits Advisory Committee.

We are contracted to achieve a savings target for the PBS within a Quality Use of Medicines framework. These savings arise from the maintenance of savings already achieved in previous years plus additional savings expected to arise from the extension of our programs. With funding of \$45.76m, we must deliver savings of \$111m to the PBS for the four-year funding period.

Our activities generated savings of up to \$83.9m to the PBS in the period July 2000 to June 2002. These savings were calculated for drug groups which were affected by prescribing intervention programs on: peptic ulcer management; management of dyspepsia; managing antibiotics in primary care; use of non-steroidal anti-inflammatory drugs (NSAIDs); COX-2 selective NSAIDs; managing hypertension; and managing dyslipidaemia.

Perhaps more importantly, a new evaluation plan is currently being drafted which puts a greater emphasis on the experience of the consumer of medicines and how our programs improve this. Health outcomes are difficult to measure and attribute to program activities, but NPS is committed to placing greater emphasis in this area in future years.

Dr Stephen Phillips

Dr Lynn Weekes



Through *Radar* health professionals have access to the information they need to provide their patients with the most up-to-date advice and treatment.



**Topics covered this year:**

- Who's right about thiazides: ALLHAT or ANBP2?
- Montelukast on the PBS
- Alternatives to hydrochlorothiazide

**'It's great to finally have useful and practical information for our medication reviews. We need more meetings such as these.'**  
— *accredited pharmacist, attended New Drugs seminar.*

*Radar* provides evidence-based information on drugs newly registered with the Therapeutic Goods Administration, and on new and revised listings to the Pharmaceutical Benefits Schedule (PBS) that impact on primary care. Newly published research relevant to primary care is also a focus of *Radar*.

*Radar* outlines Quality Use of Medicines issues about a drug, including its place in therapy, safety issues and points of discussion between the prescriber and patient, as well as the reasoning behind the PBS listing.

As with our other publications, *Radar* is based on information published in the medical literature or available in the public domain. For this program, however, we also have access to information from the Pharmaceutical Benefits Advisory Committee.

*Radar* is available to health professionals in electronic format and ultimately will be included as part of prescribing and dispensing software. Information has been provided on an ad hoc basis this year, but commencing in November 2003 each issue of *Radar* will coincide with release of the 'yellow book', the *Schedule of Pharmaceutical Benefits*.

All information published in *Radar* is subject to our usual, stringent review processes.

This new service is offered as part of an agreement between NPS and the Department of Health and Ageing. It is a key strategy in increasing the transparency of the process of listing drugs on the PBS.

Relationships between NPS, the Pharmaceutical Benefits Advisory Committee, Pharmaceutical Benefits Branch and Medicines Australia will ensure the timely flow of information and adherence to commercial-in-confidence provisions.

**New service adds to previous programs**

*Radar* expands on our previous activities in the area of providing timely, independent information on new drugs through *Australian Prescriber*, one issue of *NPS News* each year, and seminars held around Australia over the past two years.

This year four *New Drugs* seminars were held in Sydney, Brisbane and Melbourne. More than 90% of the GPs and almost 100% of the pharmacists who attended found the seminars were relevant to their practice and said they would be happy to attend such a seminar every 12–18 months.

More than 80% were more confident after the seminar in selecting which new drugs would be best for their patients, discussing requests for new drugs with their patients and knowing where to retrieve the evidence about new drugs.



Providing consumers with the information and resources they need to be partners with health professionals in making best use of medicines.

Our Community Quality Use of Medicines Program commenced this year in partnership with the Consumers' Health Forum (CHF) and other consumer organisations.

Over the past 10 years, a variety of community education activities have been used to address consumers' concerns regarding medicines. In collaboration with our partners, NPS aims to build on this work to ensure that successful strategies can be sustained and will ultimately lead to improved health outcomes.

**Program themes**

Themes for the program have been identified in collaboration with consumer representatives and based on a literature review, consultations with the community and health professionals specialising in Quality Use of Medicines, and findings from a CHF consultancy commissioned by NPS.

Planning is currently underway for a national mass media campaign to be launched early in 2004 around the theme:

- how consumers can be more active in the quality use of their medicines, and gain access to reliable, user-friendly information.

The mass media campaign aims to build within the community a greater capacity to seek, obtain, understand and use information to make informed decisions about medicines and health. It is being developed with the support of consumer organisations, health professional peak bodies, health and other media, pharmacists, GPs and other health professionals.

Local campaigns are being developed to meet the needs of older people (especially those with chronic diseases), culturally and linguistically diverse and Indigenous peoples, rural/remote consumers, parents and carers of young children, and people taking multiple medicines and their carers.

Campaign themes focus on:

- access to and interpretation of information about medicines
- effective communication between consumers and healthcare providers
- safe use of multiple medicines
- effective management of common ailments, especially reducing the overuse of antibiotics for upper respiratory tract infections.

**Program evaluation**

Program evaluation will be broad ranging and comprehensive, and will include process evaluation, descriptive analysis of system and environmental variables and modelling of factors relevant to ongoing sustainability of selected initiatives.

**Funding and governance**

This program is funded by the Commonwealth Government (up to June 2005) as part of the National Medicines Policy and National Strategy for Quality Use of Medicines. Governance is by a management committee of 8–10 members, with a majority of consumers. CHF assisted in establishing program governance.

**Criteria for the program:**

- consumer needs addressed
- practical
- evidence-based
- best practice
- underpinned by research
- sustainable
- measurable changes in behaviour and health outcomes
- consultative
- healthcare consumers included

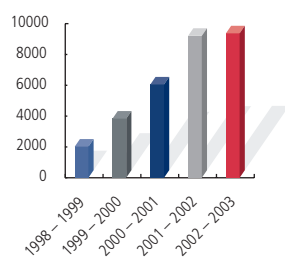


The new campaign for consumers will build on the success of our campaign, *common colds need common sense*, run for the third time this year (see page 15).

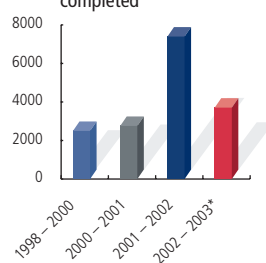


Most GPs and pharmacists surveyed consider NPS to be a valuable and essential service which is highly professional and provides unbiased advice.

Different health professionals participating in NPS core activities

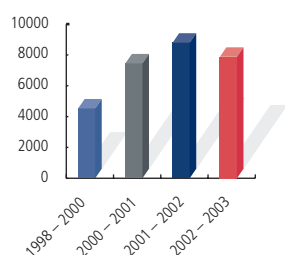


NPS clinical and self-audits completed



\*3 offered this year compared to 5 the previous year

NPS case studies completed



Nearly 78% of GPs and 95% of pharmacists surveyed as part of our ongoing evaluation rated NPS as being of great or moderate value to health professionals.

Results from our 3rd national survey of GPs showed that most GPs are aware of NPS and highly rate the usefulness and quality of our products (see below). The proportion of GPs with positive perceptions of NPS has steadily increased since the first two surveys conducted in 1999 and 2000.

Of concern however is that 43% of GPs identified us as being a Government organisation vs 39% who correctly identified us as being independent. More work is to be done in highlighting our independence from Government.

Pharmacists were surveyed for the first time this year. High proportions of pharmacists agreed with the following statements.

- NPS activities support the enhancement of Quality Use of Medicines (92% of participating pharmacists).
- NPS services help improve over-the-counter prescribing (91%).

- NPS self-audits integrate with the Quality Care Pharmacy Program as well as the application of Professional Practice Standards (66%).
- NPS activities and products assist the relevant exchange of information between pharmacists and doctors (83%).
- NPS activities better equip pharmacists to answer consumer enquiries (81%).

**Participation rates continue to grow**

As evidence of the value of our services to GPs and pharmacists, participation rates continue to grow. Since 1999, more than 15 000 different doctors and pharmacists have participated in at least one NPS case study, clinical or self-audit, educational visit or divisional case study group discussion.

Around 80% of all vocationally registered GPs in Australia have participated in at least one of these activities during that time; on average, each GP has participated in 5.2 activities (range 1 – 41 activities).

**'I think NPS has provided a very useful tool for doctors and pharmacists, and I hope will continue to do so.'**  
— GP

**% of GPs and pharmacists rating NPS products as adequate or good**

Product	GPs (%)		Pharmacists (%)	
	Usefulness	Quality	Usefulness	Quality
NPS News	80	83	86	90
Prescribing Practice Review/Pharmacy Letter	76	79	90	93
Case studies	64	68	88	87
Clinical and self audits	63	66	84	86



partners in supporting doctors and pharmacists in Quality Use of Medicines.

One hundred and ten\* divisions of general practice throughout Australia have now completed contracts to deliver NPS programs locally, including making educational visits to GPs and pharmacists and encouraging participation in local Quality Use of Medicines activities.

More than 130 NPS facilitators employed in these divisions play a key role in promoting NPS activities to both doctors and pharmacists in their local areas and in supporting other divisional-based Quality Use of Medicine programs. Most of our facilitators and educational visitors have qualifications in pharmacy, nursing and medicine. Program materials, support and training for facilitators are provided by NPS (see below).

**Educational visits**

NPS facilitators visit medical practitioners in their practices to provide them with the opportunity to discuss current issues in therapeutics. There has been a consistent increase in the number of GPs participating in educational visits.

**Divisional case study group discussions**

Peer group discussion is an education activity valued by health professionals. NPS facilitators conduct peer group discussions based on topical case studies with doctors and pharmacists in their local divisions. Apart from refining decision-making skills in the use of medicines, these meetings have proved a useful forum for doctors and pharmacists to come together to improve services for patients in the local area.

**Integration with other Quality Use of Medicines programs**

*Home Medicines Review*

NPS facilitators have been able to integrate with divisional Medication Management Review (MMR) facilitators whose goal is to increase the uptake of home medicines reviews. This year, our Facilitators Forum was held in conjunction with the MMR conference, so that the two groups could forge stronger links that would benefit Quality Use of Medicines.

*Enhanced Divisional Quality Use of Medicines Program*

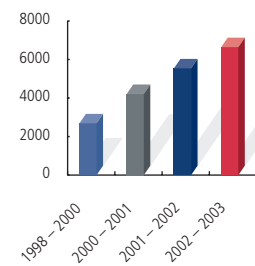
A new contract with the Department of Health and Ageing this year formalised the role we have played in supporting the Enhanced Divisional Quality Use of Medicines Program run through the Australian Divisions of General Practice.

Through a range of materials and training, we are assisting divisions to use prescribing data to improve Quality Use of Medicines. This includes identifying data support needs; collecting, analysing, interpreting and presenting data for quality improvement purposes; and providing advice on models of feedback.

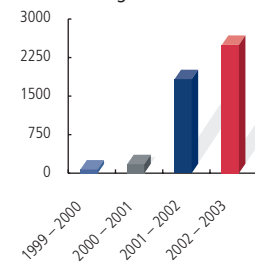
**Facilitator training and support activities**

- 4 orientation sessions, attended by 41 facilitators, program coordinators and GP advisors
- 9 regular teleconference groups, held monthly
- Therapeutic briefings held in all States, on dyslipidaemia, asthma, diabetes attended by 218. This year teleconference tutorials have been an additional feature of therapeutic briefings
- 3 group skills workshops attended by 23 facilitators
- 2 educational visiting workshops attended by 31 facilitators
- Facilitator's Forum, held in December 2002, attended by 110 facilitators and educational visitors
- Visits were made to 41 divisions to seek feedback and provide support for divisional programs

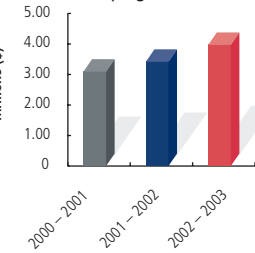
NPS educational visits with GPs



Health professionals attending case-based meetings



Contract payments to divisions of general practice to support local programs



\*This includes contracts completed with the Queensland Rural Medical Support Agency and work undertaken by the Drug and Therapeutics Information Service (DATIS) in South Australia.



in print and electronically through *Australian Prescriber* and *NPS News*, and by telephone through the *Therapeutic Advice and Information Service* and *Medicines Line*.

**'NPS assists with quality, unbiased information for daily use in pharmacy.'**  
– *Pharmacist.*

#### Strengths:

- independent
- non-biased
- non-commercial
- brief
- concise

*Australian Prescriber* provides health professionals with independently edited reviews about drugs and their role in treatment, including information on new drugs.

*NPS News* is mailed with *Australian Prescriber* and provides succinct, independent information on therapeutic topics.

These free publications are mailed bi-monthly to around 55 000 health professionals, including medical practitioners, pharmacists, dentists and students. The full text of *Australian Prescriber* is available free on the internet ([www.australianprescriber.com](http://www.australianprescriber.com)); the site had 4–500 000 hits and more than 30 000 visits each month.

To see how well we are responding to the challenge of providing relevant, useful information to a diverse target audience, both publications were evaluated this year, using focus groups, in-depth interviews and electronic and mail surveys. Results indicated that both *Australian Prescriber* and *NPS News* are valued by busy health professionals for their independent, unbiased, non-commercial information and their reader-friendliness.

#### Survey results

##### *Australian Prescriber*

###### *Electronic version*

- 62% of users surveyed were always able to find the information they were seeking
- 73% considered the web site to be a useful resource for providing independent information about drugs and therapeutics
- 87% considered the web site provided useful information to assist them when making decisions about medicines

##### *Print Version*

###### Recognition

97% of readers surveyed said they received their own paper copy, and glance at or read on average 5.6 of the six issues each year

###### Time spent reading

18.8 minutes each issue

###### Topics most likely to be read

- Case studies/drug interactions/cautions (38% nominated this)
- New drugs (36%)
- Information on drug classes/groupings and comparisons (24%)

###### Strengths (unprompted)

- Brief/concise/quick to read
- Independent publication/unbiased
- Up-to-date/current/topical
- New drug information/drug interaction

###### Influence on prescribing

- Provides guidance for appropriate prescribing (87%)
- 'My prescribing/recommendation has been influenced by issues raised in *Australian Prescriber*' (60% agreement, 74% among GPs)

##### *NPS News*

###### Recognition

94% of readers surveyed said they received their own paper copy, and glance at or read on average 5.5 of the six issues each year

###### Time spent reading

16.2 minutes each issue

##### Strengths (unprompted)

- Brief/concise/quick to read
- Relevant/practical and, for GPs, aimed at GP level
- Up-to-date/topical/current/'brings me up-to-date with trends'
- Independent/unbiased/objective

##### Influence on prescribing

- 'Helps me to make therapeutic choices' (74%)
- 'My prescribing/recommendation has been influenced by the issues raised in *NPS News*' (66%)

#### NPS Therapeutic Advice and Information Service (TAIS)

The NPS Therapeutic Advice and Information Service (TAIS) is a nationally operated phone-in service providing health professionals with information about drugs and therapeutics.

As in previous years, more than 80% of callers to TAIS this year were GPs and pharmacists. The majority of queries were about drug interactions, adverse drug reactions and therapeutic strategies.

#### Medicines Line

Medicines Line began operating on 4 September 2002. It is a national telephone information service, providing consumers with access to independent, accurate and up-to-date information about medicines including prescription medicines, over-the-counter medicines, herbal and natural therapies.

Medicines Line is operated for the NPS by the Pharmaceutical Society of Australia (PSA), and the Mater Pharmacy Services (Mater Health Services, South Brisbane).

During the first six months of operation, staff of Medicines Line answered 4 588 calls; the average call time was 12 minutes 44 seconds.

##### Breakdown of results

###### Callers:

- Three female callers to every male caller
- Most callers were aged 45 to 64 years, followed closely by people aged 25 to 44 years
- Of the 25% of people who rang on behalf of family, friends or clients, the largest proportion of calls was regarding children less than 15 years of age

###### Most frequent enquiry types:

- adverse drug reaction (23.2%)
- interaction (15.9%)
- mechanism/profile (12.3%)

###### Medicines most commonly asked about:

- antidepressants (17.6%)
- antihypertensives (10.7%)
- herbal and other complementary medicines (6.0%)

Warfarin was the most commonly asked about individual drug.

###### Main prompts for people to call Medicines Line:

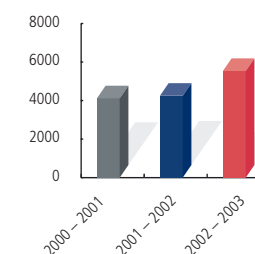
- inadequate information (38.3%)
- worrying symptom (21.6%)
- seeking an independent opinion (11.1%)

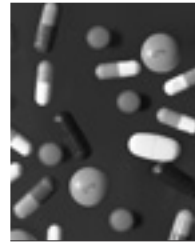
###### Referrals recommended by Medicines Line:

- to a doctor for follow-up (37.4%)
- to a pharmacist (3.5%)
- to a Government information service (2.8%)
- to another allied health professional (1.5%)
- to a support group (1.0%)

Written information was provided to 10.3% of callers.

Telephone calls received by TAIS





We play a key role in coordinating the dissemination of Quality Use of Medicines information, education and resources...

Our on-line interactive prescribing curriculum for medical students is currently being used by nine of the eleven Australian medical schools and has attracted significant international interest.

#### To other QUM workers in the field

One of the achievements of our Curriculum and Training program this year has been to develop training modules for people other than prescribers working in the area of Quality Use of Medicines. People from varying backgrounds and environments are involved in Quality Use of Medicines. The Pharmaceutical Health and Rational use of Medicines committee commissioned us to develop a package to improve people's understanding of key elements of Quality Use of Medicines and allow them the opportunity to work through issues unique to their environment.

The module consists of a self-directed learning package, with the option of a follow-up workshop for small groups. The kit was used in skills development sessions with NPS facilitators, Medication Management Review facilitators, peer educators and pharmaceutical company representatives.

#### To undergraduate and postgraduate students

Building on the success of our web-based training program for medical students, we are working in partnership with postgraduate medical councils, pharmacy schools and nursing organisations to develop training materials and resources for a broad range of health professionals.

#### Via electronic pharmaceutical decision support tools

Through our Pharmaceutical Decision Support Program, we collaborate with prescribing software vendors to assist them incorporate Quality Use of Medicines resources into their products. This will provide prescribers with consistent, independent information about Quality Use of Medicines at the point of prescribing.

Software guides are being developed to raise GPs' awareness of the functionality of their software. The guides produced this year provided GPs with instructions on how to modify their use of software to prevent repeat scripts of antibiotics. This project was based on research funded by NPS in 1999–2000 by Dr David Newby and others.

The first clinical audit was converted into electronic format this year, with the aim of encouraging GPs to use their software as a quality assurance tool. The diabetes audit has been piloted for use in Medical Director and is being modified to better suit the needs of GPs.

We also contributed to deliberations of national working groups exploring ways to improve GPs' use of electronic pharmaceutical decision support. These include MediConnect, GP Computing Group, National Electronic Decision Support Task Force and Medicines Coding Council of Australia.

#### To researchers and planners

In order to build a firm basis for identifying future Quality Use of Medicines priorities, research, activity and policy, we were commissioned this year to undertake a 'data mining'\* project that involved reviewing, synthesising and interpreting completed Australian studies, and cataloguing reports into a fully searchable QUM library available on CD-rom.

Reports have been produced on Quality Use of Medicines and chronic conditions, consumers, nurse education, and older people.

\*Supported by the Pharmaceutical Health and Rational use of Medicines (PHARM) Committee and funded by the Department of Health and Ageing.



Our community campaigns link closely with our health professional program so that consistent information is available to prescribers and consumers.

*Our common colds need common sense campaign* ran again in 2003 for the third consecutive year.

The *common colds need common sense campaign* is a national campaign aimed at reducing the inappropriate use of antibiotics for viral respiratory tract infections. It has been designed to complement our ongoing programs aimed at reducing health professionals' prescribing of antibiotics for these infections.

The campaign has been well received by stakeholders and the community. The results from the Newspoll consumer surveys, used to evaluate the 2002 campaign, show that just under one-fifth of the community remember seeing the *common colds* posters and increasing numbers endorse symptomatic management of cold and flu symptoms. Of remaining concern, however, is that one in two consumers who reported visiting a doctor because of cold or flu symptoms were prescribed an antibiotic.

The 2003 campaign (still running at time of publication) focussed primarily on parents and carers, with a media strategy and distribution of print resources through GPs, pharmacists and community health centres.

Future campaigns will be integrated with our new Community Quality Use of Medicines program.

#### Consumer Medicine Information community grants

Consumer Medicine Information (CMI) written by the manufacturing pharmaceutical company is available from pharmacists and doctors for all prescription medicines. This year we called for applications from community groups willing to undertake activities to improve consumers' knowledge and use of CMI.

Of the 139 applications received, grants were given to 75 organisations that included disease-based organisations, seniors groups, councils, aged care facilities, community health centres, multicultural organisations, mental health groups and service clubs.

We provided these groups with information to assist them in their projects, including a PowerPoint presentation, media kit, video, poster and brochure in Arabic, Chinese, English, Greek, Italian and Vietnamese.

#### The range of activities undertaken included:

- education sessions
- distributing materials
- translating the CMI brochure into other languages
- shopping centre displays
- participation in events such as Seniors' Week.

Activities were attended by 5 955 people, most of whom were over 55 years of age. Articles about CMI and CMI activities were also published in local media.

#### Fund distribution was:

- 62 grants of \$750
- 1 of \$1250
- 2 of \$1500
- 9 of \$2500
- 1 of \$7500.

Funding for this project was provided by the Commonwealth Department of Health and Ageing through the PHARM Committee.

#### Key messages for the CMI campaign:

- know what CMI is
- ask your pharmacist for CMI
- use CMI to discuss your health with your doctor or pharmacist
- keep CMI to refer to later.

#### Target groups:

- older people
- people with chronic conditions
- carers of older people.



Information on CMI was made available in Arabic, Chinese, English, Greek, Italian and Vietnamese.

## Criteria used for selecting therapeutic topics

Each year we target therapeutic topics that meet the following criteria:

- the therapeutic area is a priority for GPs or other target group(s)
- the information will assist in providing best patient care (ability to make an impact, ability to affect patient outcomes)
- new information is available
- systems issues which will impact on patient care
- evidence of therapeutic problem, variation in prescribing, adverse outcomes
- potential impact on PBS expenditure
- data are available to support delivery of the message
- evidence exists to guide better practice
- new drug
- ability to link with parallel programs
- presence of therapeutic uncertainty or controversy.

## Pharmacotherapeutic management of asthma

Commenced August 2002

### Key messages

- Prescribing inhaled corticosteroids remains the cornerstone of managing asthma in all groups
- Back-titrate to the minimum dose of inhaled corticosteroids that maintains control for each patient
- Medium doses of inhaled corticosteroids are as effective as high doses in maintaining control
- Combination products should not be prescribed as initial therapy
- Consider adding a long-acting beta<sub>2</sub>-agonist to medium-dose inhaled corticosteroids before using high-dose inhaled corticosteroids for uncontrolled asthma

### Strategies

**PPR with prescribing feedback to 18 108 GPs**

**PPR to 18 000 pharmacists and 6 433 other medical specialists**

**NPS News 23 to GPs, specialists, pharmacists, other health professionals, students**

**Case study 22**  
1 411 health professionals and students participated

**Case study PH6**  
191 pharmacists participated

**Clinical audit**  
1 399 GPs participated  
299 GPs participated in an additional activity (Step 5) offered for the first time

**Educational visits**  
2 782 educational visits to GPs

**Divisional case study group discussions**  
1 319 health professionals participated

## Sleeping and confusion in the elderly

Commenced October 2002

### Key messages

- Non-drug measures are first-line for insomnia
- Educate consumers on normal sleep patterns
- Review potential harms of long-term hypnotic use
- Attempt benzodiazepine withdrawal as simple interventions can reduce use
- Little evidence of superior efficacy of newer atypical antipsychotics in behavioural disturbances in dementia

### Strategies

**NPS News 24 to GPs, specialists, pharmacists, other health professionals, students**

**Case study 23**  
1 395 health professionals participated

## New drugs

Commenced December 2002

### Key messages

- Assess comparative efficacy, safety, suitability and cost of new drugs and new uses
- Information sources are available for new drugs/new indications
- Critically appraise published material for relevant outcomes and clinical significance
- How to incorporate new evidence on hormone replacement therapy into practice

### Strategies

**NPS News 25 to GPs, specialists, pharmacists, other health professionals, students**

**Case study 24**  
977 health professionals participated

## Osteoporosis – recognising the risks

Commenced February 2003

### Key messages

- Identify and address modifiable risk factors for osteoporotic fractures
- Preventive strategies early in life are as relevant as therapy later in life
- The greatest benefit of drug therapy in reducing fractures occurs in those with history of fracture

### Pharmacy program

- Key messages focussed on use of calcium salts in osteoporosis

### Strategies

**Pharmacy Letter 6**  
Key messages on calcium salts and osteoporosis to 16 744 pharmacists

**NPS News 26 to GPs, specialists, pharmacists, other health professionals, students**

**Case study 25**  
1 563 health professionals participated

**Case study PH7**  
286 pharmacists participated

**Self-audit for pharmacists**  
336 pharmacists participated

## Antibiotics in primary care

Commenced April 2003

### Key messages

- Explain the duration of antibiotic therapy to your patients
- Include the duration of the course on the prescription whenever practical
- Make a conscious decision whether or not to generate a repeat prescription for antibiotics
- Continue to use antibiotics judiciously in each patient to maintain the downward trend in prescribing rates

### Strategies

**PPR with prescribing feedback to 18 154 GPs**

**PPR with key messages to 16 741 pharmacists and 74 medical specialists, microbiologists and infectious diseases physicians**

**NPS News 27 to GPs, specialists, pharmacists, other health professionals, students**

**Case study 26**  
1 436 health professionals participated

**Clinical audit**  
2 252 GPs participated

**Educational visits**  
This is an ongoing program; 3 324 educational visits have been made to GPs over the last five years

**Divisional case study group discussion\***  
This is an ongoing program; 493 GPs have participated over the last five years

**Symptomatic management pad: Acute URTIs and acute bronchitis**  
6 963 distributed this year in Arabic, Chinese, English, Greek, Italian, Vietnamese

## Analgesics in musculoskeletal pain

Commenced June 2003

### Key messages

- Assess and document characteristics of pain in order to individualise and monitor effectiveness of treatment
- Use paracetamol first; it is effective when taken regularly in appropriate doses and has a good safety profile
- Consider the potential range of adverse effects and serious drug interactions with tramadol when selecting therapy where pain requires an opioid or opioid-like analgesic
- Before prescribing COX-2 selective or conventional NSAID, review risk of peptic ulcer, cardiac disease or renal impairment
  - COX-2 selective NSAIDs are not more effective than conventional NSAIDs and have a similar range of adverse effects

### Strategies

**PPR with prescribing feedback to 18 101 GPs**

**PPR with key messages to 16 416 pharmacists and 7 682 other medical specialists**

**NPS News 28 to GPs, specialists, pharmacists, other health professionals, students**

**Case study 27**  
1 232 health professionals participated

**Clinical audit\***

**Educational visits\***  
**Divisional case study group discussion\***

\*Commence in latter half of 2003



**Dr Roger Boyd**  
Director

Corporate governance generally refers to the processes by which organisations are directed, controlled and held to account, therefore encompassing authority, accountability, stewardship and leadership, with the aim of improving corporate performance.

#### Role of the board

In keeping with the board's role, a critical focus remains determining the organisation's strategic goals and preparing the strategic plan, which is regularly reviewed and updated, plus annual plans and budgets. With the support of management, members and other key stakeholders, the board has continued to promote achievement of major strategic objectives with substantial growth this year in the scale and range of Quality Use of Medicines programs delivered, along with evaluation of achievements to date.

#### Board meetings

Member organisations are promptly informed of key outcomes following each board meeting. The board meets regularly throughout the year, joined by senior staff and working group chairs. There is generally a high level of attendance and each director's record of attendance is noted in the Director's Report.

#### Board composition

During the year there have been two new directors appointed to the board, one being a new term for the position nominated by member pharmacy organisations and the other being an additional director invited following identification of the need to bring nursing expertise and contacts to the board.

#### Board performance

The Board has continued its processes for self-assessment of its performance. This year's assessment again confirmed generally high levels of satisfaction, though there were a number of matters discussed at length by the board, with the aim of further improving the effectiveness of the board and the whole organisation.

#### Board committees

The Audit Committee, the only committee of the board, continues to meet regularly and make recommendations to the board on the range of matters covered by its terms of reference. The success of the organisation is largely based on the effective operation of a number of working groups, which bring tremendous expertise to advise management on the major programs. Although these are not board committees, most working groups include a director and the chairs of the working groups are invited to attend board meetings, where regular reports are received on the programs and the activities of the working groups.

Dr Roger Boyd

#### Chairman

##### Dr Stephen Phillips

Stephen is a GP from Maroochydore. He has a strong commitment to quality healthcare and the pivotal role of the GP in providing that care. Stephen was a member of the advisory group that led to the formation of the NPS, is a member of the Australian Pharmaceutical Advisory Council and Pharmaceutical Benefits Advisory Committee and a former member of the Therapeutic Goods Committee.



#### Directors

##### Dr Richard Abbott

Richard is a rural procedural GP from Scone in the Upper Hunter, NSW. He has been involved in rural medicopolitics and was a member of the NPS advisory group. He has a strong commitment to rural education and to best practice in medicine. Grass-roots experience in the delivery of NPS messages has been gained through involvement in divisional programs.



##### Ms Jenny Bergin

(appointed August 2002)

Jenny is the Pharmacy Class Director on the Board. She is the Pharmacist Consultant with the Pharmacy Guild of Australia and holds qualifications in pharmacy and business administration. Jenny has been a pharmacist in community hospital and regulatory settings, was a member of the Pharmacy Board of Tasmania and has managed community health services including medical, dental, nursing and palliative care. She has a keen interest in the continuous quality improvement approach to managing health services and Quality Use of Medicines.

(Alternative Director: Mr Jay Hooper)



##### Mr Paul Bolt

Paul worked in the pharmaceutical industry for many years and held senior management positions on four continents. He is now a consultant in healthcare for local and overseas organisations. He has been a partner in a variety of Quality Use of Medicines initiatives and has long been an active supporter of Consumer Medicine Information.



##### Dr Roger Boyd

Roger is a Sydney-based medical administrator committed to a balanced, efficient and effective healthcare system. He brings to the NPS Board considerable senior management and business experience in a number of public and private hospitals. He is currently Honorary Secretary of the Royal Australasian College of Medical Administrators and, through his own practice, provides consulting services in healthcare management, policy and planning to a number of public and private providers.





**Associate Professor Shane Carney**

Shane is a nephrologist at John Hunter Hospital and an Associate Professor in the Faculty of Medicine and Health Sciences, The University of Newcastle. Apart from an interest in continuing medical education with the Hunter Postgraduate Medical Institute, he is committed to Quality Use of Medicines, being a member of the Australian Pharmaceutical Advisory Council and the Therapeutics Advisory Committee of the Royal Australasian College of Physicians.

**Ms Janette Donovan**



Jan is the Consumer Class Director on the Board. She has worked for over a decade in the health and medicines policy area as an advocate for and representative of consumer organisations. She is committed to furthering community access to information and education about medicines. She currently represents Council on the Ageing (Australia) on the Australian Pharmaceutical Advisory Council and Consumers' Health Forum on the Health Connect Stakeholder Reference Group and is a member of the Medicconnect Development Group. She works as a consultant to consumer organisations in medicines education and training and health policy.

*(Alternative Director: Ms Rebecca Coghlan, Health Consumers Council of WA)*

**Ms Susan Hunt**

(appointed October 2002)



Susan was nominated to the board by the Royal College of Nursing Australia and the Australian Nursing Federation. She is well acquainted with Quality Use of Medicines, having been involved in the first *Be Wise for Medicines* campaigns in the early 1990s. Susan has been a member of the Pharmaceutical Health and Rational use of Medicines committee, and is currently a member of the Australian Pharmaceutical Advisory Council. She works as a clinical nurse consultant and educator, specialising in care related to older people in both residential and community settings.

**Mr Allan Rennie**



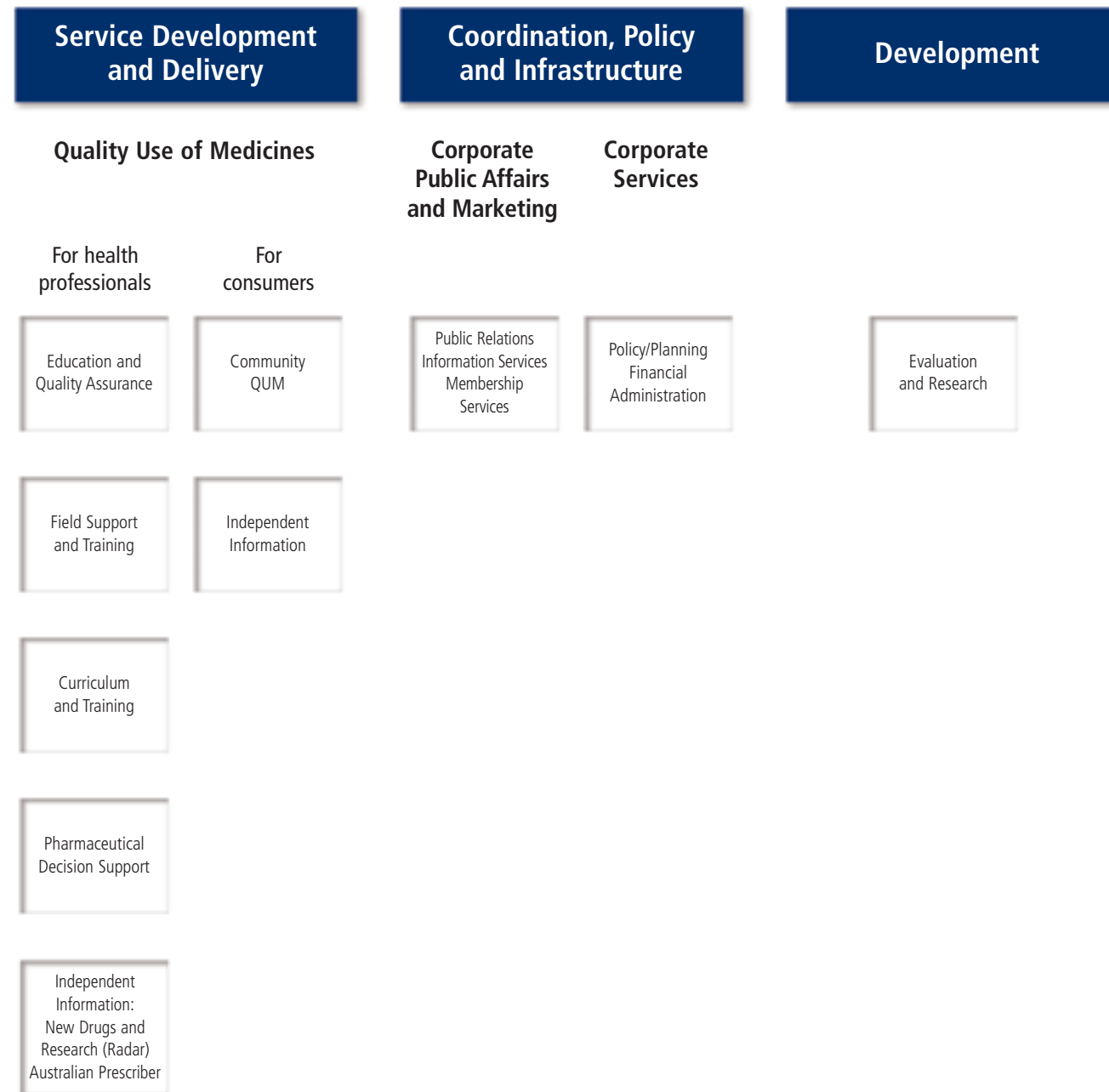
Allan heads the Pharmaceutical Access and Quality Branch of the Commonwealth Department of Health and Ageing. He has an extensive background in healthcare financing policy, having previously worked on policy associated with the Medicare benefits program. He has a keen interest in seeing enhancement of the collaborative approach to healthcare delivery between prescribers, pharmacists and consumers.

*(Alternative Director: Ms Nola Witchard, Department of Health and Ageing, to 19 May 2003; Mr Michael Bolt, Department of Health and Ageing, from 19 May 2003.)*

**Dr Peter Roush**



Peter is a Brisbane GP, with a special interest in Quality Use of Medicines. He has been extensively involved in continuing education for GPs and pharmacists, and is currently involved in several Quality Use of Medicines research projects. He is a strong proponent of the divisional system; he has been a long-standing board member of Brisbane North Division of General Practice and represents the Australian Divisions of General Practice on several groups. He also has a specific interest in corporate governance.



Working groups are responsible for directing specific projects. Groups meet regularly during the year by teleconference and occasional face-to-face meetings. Members of working groups also participate in planning days.

**Australian Prescriber Editorial Executive Committee**

Professor Robert Moulds (chair)  
Fiji School of Medicine  
Dr John Dowden  
Editor  
Australian Prescriber  
Dr Shanthi Kanagarajah  
Geriatrician  
Melbourne  
Dr Julia Lowe  
Department General Medicine  
John Hunter Hospital  
Professor John Marley  
Faculty of Health  
University of Newcastle  
Professor John Tiller  
School of Psychiatry  
University of Melbourne  
Dr Lynn Weekes  
CEO NPS

**Communications Working Group**

Ms Jan Donovan (chair)  
Director NPS  
Dr James Best  
General Practitioner  
A/Professor Nick Buckley  
The Canberra Hospital  
Dr John Dowden  
Australian Prescriber  
Prof John Murtagh  
Dept General Practice  
Monash University  
Ms Susan Parker  
Australian Self-Medication Industry  
Ms Simone Rossi  
Australian Medicines Handbook

**Community Communications Working Group†**

Ms Denise Fry (Chair)  
Pharmaceutical Health And Rational use of Medicines Committee member  
Ms Jan Donovan  
Director NPS  
Associate Professor Andrea Mant  
NPS Prescribing Intervention Working Group  
Mrs Judy Skinner  
Council on the Ageing  
Dr John Wiggers  
University of Newcastle  
Ms Marilyn Wise  
University of Sydney

**Community QUM Management Committee**

Mrs Judy Skinner (chair)\*  
COTA National Seniors (QLD)  
Mr Michael Bolt  
Department of Health and Ageing  
Ms Jan Donovan  
Consumer Class  
Director NPS  
Dr Mukesh Haikerwal  
General Practitioner  
Mr Matthew Hunt\*  
Health Consumers' Council WA  
Ms Judith Mackson  
Manager  
Education and Quality Assurance Program  
NPS  
Ms Alison Marcus\*  
Jewish Community Services SA  
Mr John Morgan  
Pharmacist  
Dr Lynne Parkinson  
Centre for Research and Education in Ageing  
Faculty of Health  
University of Newcastle

Ms Sue Pluck\*  
SA Consumer Representatives Network  
Dr Susan Quine  
Associate Professor in Preventive and Social Medicine  
University of Sydney  
Ms Sheila Rimmer\*  
COTA National Seniors (NSW)  
Ms Tony Wade  
Pharmaceutical Health and Rational Use of Medicines Committee  
Ms Christine Walker\*  
Chronic Illness Alliance (VIC)

\*Selection process coordinated by Consumers' Health Forum of Australia

**Education Executive**

Emeritus Professor Tony Smith (chair)  
University of Newcastle  
Dr Nick Buckley  
University of Adelaide  
Dr Peter Pillans  
University of Queensland  
Dr Sepehr Shakib  
Flinders University

**Education Working Group**

Professor Ric Day  
University of New South Wales  
Associate Professor Albert Frauman  
University of Melbourne  
Dr Madlen Gazarian  
University of New South Wales  
Professor David Henry  
University of Newcastle  
Associate Professor Ken Ilett  
University of Western Australia  
Professor Paul Seale  
University of Sydney  
Professor Gillian Shenfield  
University of Sydney  
Dr Janet Vial  
University of Tasmania

**Evaluation Working Group**

Dr Justin Beilby (chair)  
Dept of General Practice  
University of Adelaide  
Dr Jenny Bowman (resigned)  
School of Behavioural Sciences  
University of Newcastle  
Dr Roger Boyd  
Director NPS  
Ms Jan Donovan  
Director NPS  
Dr Dianne O'Connell (resigned)  
Cancer Epidemiology Research Centre  
Cancer Council NSW  
Dr Brita Pekarsky  
Centre for Health Informatics and Department of General Practice  
University of Adelaide  
Dr Stephen Phillips  
Director NPS  
Dr Elizabeth Roughead  
School of Pharmacy and Medical Sciences  
University of South Australia

**New Drugs Working Group (Radar)**

Dr Peter Roush (Chair)  
Director NPS; General Practitioner  
Mr Matthew Blackmore  
Consumer  
Dr Michael Crampton  
General Practitioner  
Dr John Dowden  
Australian Prescriber  
Ms Mary Hemming  
Therapeutic Guidelines Ltd  
Ms Karen Kaye  
NSW Therapeutic Assessment Group  
Ms Andrea Kunca  
Department of Health and Ageing  
Ms Deborah Monk  
Medicines Australia  
Ms Simone Rossi  
Australian Medicines Handbook

Working group members come from around Australia and represent a wide range of interests, expertise and specialities. They are invited to participate based on their individual expertise not necessarily as representatives of their organisations.

Professor Gillian Shenfield  
Clinical Pharmacologist  
Royal North Shore Hospital, Sydney

Dr Sepehr Shakib  
Clinical Pharmacologist  
Royal Adelaide Hospital  
Mr Graeme Vernon  
Drug Information Specialist  
Austin Health, Melbourne

**Pharmaceutical Industry Project Group**

Mr Paul Bolt (chair)  
Director NPS  
Ms Janine Bevan (resigned)  
Medicines Australia  
Dr Rachel David  
Wyeth Australia Pty Ltd  
Ms Di Ford  
Generic Medicines Industry Association  
Ms Mary Emanuel  
Australian Self-Medication Industry  
Mr David Grainger  
Eli Lilly  
Ms Deborah Monk  
Medicines Australia  
Mr Charlie O'Sullivan  
GlaxoSmithKline  
Ms Susan Parker  
Australian Self-Medication Industry  
Mr Greg Pearce  
Pharmacia Australia Pty Ltd  
Ms Robyn Ronai  
Alphapharm Pty Ltd  
Ms Jude Tasker  
Merck Sharp & Dohme (Aust) Pty Ltd

**Pharmaceutical Decision Support Working Group**

Professor Siaw-Teng Liaw (Chair)  
Dept of General Practice  
University of Melbourne  
Mr Brooke Alexander  
General Practice Access Branch  
Dept Health and Ageing  
Mr Bill Arnold  
Consultant Pharmacist  
Mr Ross Davey  
Collaborative Centre for eHealth  
University of Ballarat  
Associate Professor Evelyn Hovenga  
Faculty of Informatics and Communication  
Central Queensland University  
Ms Irene Krauss  
NHIMAC  
Dr Stephen Phillips  
Director NPS  
Ms Sue Pluck  
Consumer  
Dr Sepehr Shakib  
Department of Clinical Pharmacology  
Royal Adelaide Hospital

**Prescribing Intervention Working Group**

Associate Prof Andrea Mant (chair)  
South-East Health NSW  
Associate Prof Shane Carney  
Director NPS  
Renal Physician, Newcastle  
Dr Peter Charlton (resigned)  
Health Insurance Commission  
Ms Rebecca Coghlan (resigned)  
Health Consumers' Council of WA  
Dr Romano Fois (resigned)  
Community Pharmacist  
Ms Meredith Freeman  
Dept Veterans' Affairs  
Ms Karalyn Huxhagen  
Community Pharmacist  
Dr Graeme Killer (resigned)  
Dept Veterans' Affairs  
Mr Frank May  
Drug and Therapeutics Information Service (DATIS)  
Ms Nancy Pierce  
Consumer  
Ms Jennifer Roberts  
Health Insurance Commission  
Dr Jane Robertson  
Discipline of Clinical Pharmacology  
University of Newcastle  
Ms Maxine Robinson  
Drug Utilisation Sub-Committee  
Dept Health and Ageing  
Dr Peter Roush  
Director NPS  
General Practitioner Brisbane  
Professor Gillian Shenfield  
Department of Clinical Pharmacology  
Royal North Shore Hospital, Sydney  
Dr Mary Surveyor  
General Practitioner Perth  
Dr Guan Yeo  
GP Educator

**Pharmacy Sub-Group**

Dr Jane Robertson (temporary chair)  
Discipline of Clinical Pharmacology  
University of Newcastle  
Dr Jenny Bergin  
Director NPS  
Mr Jason Campbell  
Community Pharmacist  
Ms Rebecca Coghlan (resigned)  
Health Consumers' Council of WA  
Ms Paula Doherty  
Hospital Pharmacist  
Ms Sarah Fogg (resigned)  
Australian Pensioners and Superannuants Federation  
Dr Romano Fois (chair, resigned)  
Community Pharmacist  
Professor Andrew Gilbert  
School of Pharmacy and Medical Sciences  
University of South Australia  
Ms Karalyn Huxhagen  
Community Pharmacist  
Mr Frank May  
Drug and Therapeutics Information Service (DATIS)  
Mr Robert Peck  
Dept Veterans' Affairs  
Ms Nancy Pierce  
Consumer  
Dr Peter Roush (resigned)  
Director NPS  
General Practitioner Brisbane  
Mr James Watson (resigned)  
Community Pharmacist  
Dr Guan Yeo  
GP Educator

†Superseded by Community QUM Management Committee

**Australian Regulatory and Clinical Scientists: Annual Meeting June 2003, Sydney**

The past year – The National Prescribing Service  
L Weekes

**ARCHI QUM: Challenges for GP, Hospital and Community June 2003, Adelaide**

Creating links between primary care and hospitals for QUM  
J Mackson, L Weekes

Decision support tools for electronic prescribing: perceptions, reality and the future for QUM  
M Fitzgerald

**RACP Annual Scientific Meeting 28 May 2003, Hobart**

National Medicines Policy, QUM and the NPS  
S Phillips

**Society of Hospital Pharmacists (NSW Branch) Continuing Professional Development May 2003, Sydney**

NPS telephone-based information services: TAIS and Medicines Line  
C Patterson

**Worth Expert Committee on Complementary Medicines May 2003, Sydney**

NPS telephone-based information services: TAIS and Medicines Line  
C Patterson

**Community QUM, Consumer Consultation Workshop 12–13 March 2003, Sydney**

Overview of the design for the Community QUM program  
S Davis

**Australian Pharmaceutical Scientists Association: Annual Meeting 11 December 2002, Melbourne**

Change management and medication safety: The National Prescribing Service  
L Weekes

**8th Western Pacific Congress on Chemotherapy and Infectious Diseases 3 December 2002, Perth**

What can be achieved with consumer education  
L Weekes

**The Australian Health and Medical Research Congress 24–29 November 2002, Melbourne**

Reasons for use of selective COX-2 inhibitor drugs  
M Hill, G Shenfield, S Kerr

Patterns of prior use of antihypertensive medications in hospital patients  
M Hill, G Shenfield, S Kerr

Utilisation patterns of celecoxib, rofecoxib and meloxicam in Australian general practice patients

S Kerr, F Horn, K McGeechan, G Sayer, J Mackson, A Mant

Quality of drug interaction prompts in prescribing software packages for Australian general practice

N Sharma, S Kerr, S Whicker

The management of dyslipidaemia in Australian general practice

K Easton-Carter, S O’Riordan, M Fitzgerald, J Mackson, L Weekes

Pharmacotherapeutic management of type 2 diabetes in Australian general practice: clinical audit – a QA activity

L McMartin, S O’Riordan, M Fitzgerald, K Easton-Carter, J Mackson

**PHARM Asthma Workshop 4 November 2002, Canberra**

NPS program messages for asthma  
L Weekes

**RACGP 45th Annual Scientific Convention October 2002, Perth**

General practitioners’ perceptions of the pharmaceutical decision support tools in their prescribing software

M Ahearn

**SHPA NSW Branch Conference October 2002, Leura NSW**

Heart failure – how can we improve our performance?

G Higgins (J Mackson, L McMartin, A Wai, L Weekes)

**Department of Health and Ageing: National Health Priorities and Quality – Arthritis and Musculoskeletal Workshop 25 September 2002, Canberra**

NPS arthritis and musculoskeletal programs  
L Weekes

**2nd Asia Pacific Forum on Quality Improvement in Healthcare 11–13 September 2002, Singapore**

Use of clinical audit to improve the use of antidepressants in general practice  
S Kerr, M Fitzgerald, J Mackson

Implementing evidence-based guidelines on the management of diabetes in community medicine.

L McMartin, S O’Riordan, M Fitzgerald, J Mackson, L Weekes

Use of clinical audit to improve the use of antidepressants in clinical practice  
S Kerr, M Fitzgerald, J Mackson

**62nd Congress of FIP September 2002, Nice, France**

Self-audit: a quality improvement activity in community pharmacy  
L Kenyon, J Mackson, L Chong, L Weekes

**Combined NZHPA and SHPA Conference: At the Frontline August 2002, Christchurch, New Zealand**

Heart failure – how can we improve our performance?

G Higgins, J Mackson, L McMartin, A Wai, L Weekes

Drug-related hospital admissions to cardiology services: incidence, causality and preventability.

A Wai, R Allan, J Langford, K Williams

**12th International Social Pharmacy Workshop August 2002, Sydney**

Self-audit: a quality improvement activity in community pharmacy.

L Kenyon, J Mackson, L Chong, L Weekes

Posters

**Royal Australasian College of General Practitioners 45th Annual Scientific Convention October 2002, Perth**

Small group learning for GPs – a way to move forward?

G Higgins (L Kenyon, J Mackson, L McMartin, A Wai)

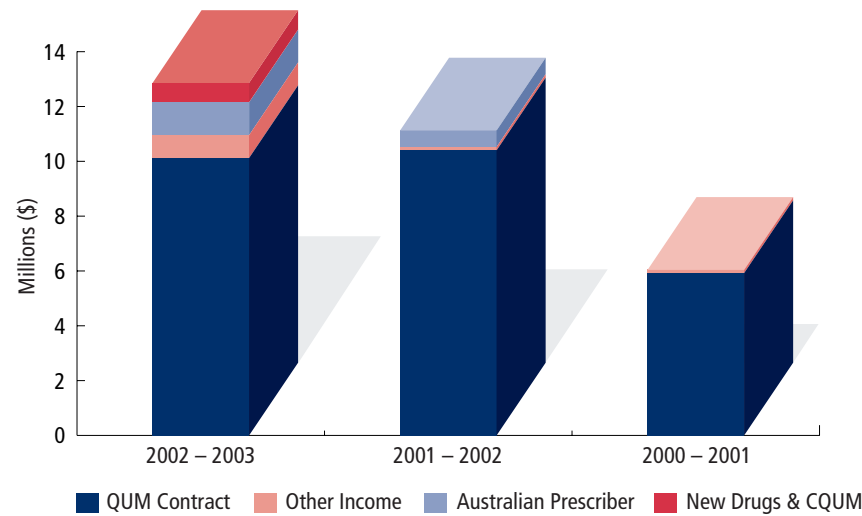
**International Society of Pharmacoepidemiology Conference August 2002, Edinburgh, Scotland**

Three annual campaigns change the volume and mix of antibiotic prescribing for respiratory tract infection

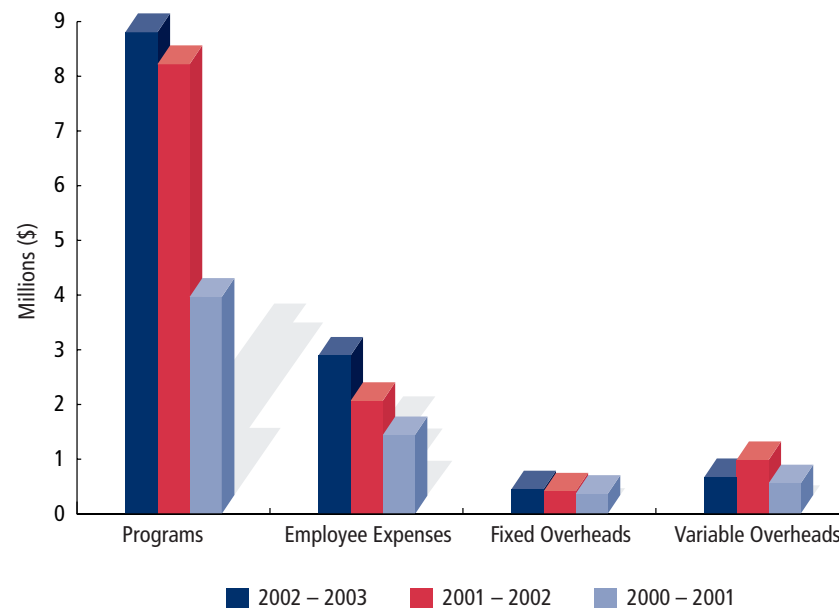
L Weekes, J Mackson, B Pekarsky, J Mandryk, S Wutzke

An intervention strategy to increase use of thiazide diuretics for treatment of uncomplicated hypertension in primary care  
J Mackson et al

Comparison of Revenue Sources 2000 to 2003



Comparison of Expenditure by Categories 2000 to 2003



Your directors present their report on the results of National Prescribing Service Limited (the Company) for the financial year ended 30 June 2003.

Directors

The directors in office at the date of the report are:

- |   |  |
|---|--|
| Stephen Phillips                              | Shane Carney   |
| Janette Donovan (alternate – Rebecca Coghlan) | Jennifer Bergin (appointed 24 August 2002; alternate – Jay Hooper) |
| Peter Roush                                   | Susan Hunt (appointed 24 October 2002)                             |
| Roger Boyd                                    | Allan Rennie (alternate – Michael Bolt)                            |
| Paul Bolt                                     |  |
| Richard Abbott                                |  |

Particulars of directors

Name of director	Qualifications, experience and special responsibilities	Interests in shares	Interests in contracts
Stephen Phillips	Chairman NPS	Nil	Nil
Janette Donovan	Director NPS	Nil	Nil
Peter Roush	Director NPS	Nil	Nil
Paul Bolt	Director NPS	Nil	Nil
Roger Boyd	Director NPS	Nil	Nil
Richard Abbott	Director NPS	Nil	Nil
Shane Carney	Director NPS	Nil	Nil
Jennifer Bergin	Director NPS	Nil	Nil
Susan Hunt	Director NPS	Nil	Nil
Allan Rennie	Director NPS	Nil	Nil

Other details of directors are shown elsewhere in this report.

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		Audit Committee meetings	
	Number eligible to attend	Number of meetings attended	Number eligible to attend	Number of meetings attended
Stephen Phillips	7	7	6	6
Janette Donovan	7	6	–	–
Peter Roush	7	6	–	–
Paul Bolt	7	7	6	6
Roger Boyd	7	7	6	6
Jay Hooper	1	1	–	–
Richard Abbott	7	5	–	–
Shane Carney	7	7	–	–
Jennifer Bergin	6	6	–	–
Susan Hunt	6	6	–	–
Allan Rennie	7	4	–	–
<i>Alternates</i>				
Michael Bolt (Alternate for Allan Rennie)	–	–	–	–
Rebecca Coghlan (Alternate for Janette Donovan)	–	–	–	–
Jay Hooper (Alternate for Jennifer Bergin)	–	–	–	–
Nola Witchard (Alternate for Allan Rennie)	3	3	–	–

### Principal activities

National Prescribing Service Limited (NPS) is a not for profit Company independent of Government and the pharmaceutical industry.

NPS works in partnership with health professionals, Government, industry and consumers to promote Quality Use of Medicines that will lead to better health for Australians.

### Operating results

The net amount of the surplus for the period to 30 June 2003 was \$53,979.

### Review of operations

The most significant impact on the Company's operations was the additional increase in funding revenue from the Department of Health and Ageing (DoHA) that was committed towards an increase in the range of the Company's programs.

Existing programs have continued to expand particularly the Divisional program resulting in ongoing contracts to the value of \$4.55 million committed for the next financial year. New business includes the Community Quality Use of Medicines and New Drugs programs for which funding commenced in the second part of 2002-03. Substantial activity will occur in 2003-04 after a short planning period as described in the Program Plan with a commitment of \$8.68 million in this period. There is also work to be undertaken in the new contract which took effect in June 2003 for the Enhanced Divisional Quality Use of Medicines project to the value of \$0.14 million.

### Significant changes in state of affairs

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

### Future developments

The directors have no knowledge of developments likely to alter or affect the conduct of the Company in the immediate future.

### 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.

### Indemnifying officers or auditor

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of premium was \$7,510 for all the directors.

### Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### Court proceedings

No person has applied for leave of 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.

Signed in accordance with a resolution of directors.

Dr S Phillips  
Chairman of the Board

Dr R Boyd  
Director & Chairman of the Audit Committee

The directors of the Company declare that:

1. the financial statements and notes as set out on the attached pages are in accordance with the Corporations Act 2001:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2003 and of the performance for the year ended on that date of the Company;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dr S Phillips  
Chairman of the Board

Dr R Boyd  
Director & Chairman of the Audit Committee

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

### CLASSIFICATION OF EXPENSES BY FUNCTION

	Note	2003 \$	2002 \$
Funding revenue	2	12,522,423	11,382,357
Program costs		(8,803,943)	(8,218,773)
Gross surplus		<u>3,718,480</u>	<u>3,163,584</u>
Other revenue	2	340,577	306,397
Employee related costs		2,888,725	2,061,362
Overheads – fixed costs		446,584	406,937
Overheads – variable costs		669,769	981,333
Net operating surplus before income tax	3	<u>53,979</u>	<u>20,349</u>
Income tax attributable to operating surplus		0	0
Operating surplus after income tax		<u>53,979</u>	<u>20,349</u>
Retained surplus at beginning of financial year		54,538	34,189
Retained surplus at end of financial year		<u>108,517</u>	<u>54,538</u>
<b>Funding revenue</b>			
DoHA funding		<u>24,602,173</u>	<u>14,747,553</u>
Less prepaid committed revenue		(12,079,750)	(3,365,196)
Expended grant funds		<u>12,522,423</u>	<u>11,382,357</u>
<b>Other income</b>			
Interest		279,267	176,519
Expense recovery		33,588	120,569
Other income		27,722	9,309
		<u>340,577</u>	<u>306,397</u>
<b>Program costs</b>			
Travel		327,845	219,196
Computers		88,632	0
Consumables		4,078	0
Communications		40,762	12,916
Distribution		491,153	441,493
Printing and design		729,930	692,140
Data processing		151,167	141,764
Support services		224,158	204,131
Public affairs management (including Common Colds campaign)		217,964	626,425
Contracts		5,922,225	5,164,580
Grants		113,192	220,200
Fees		492,834	495,928
		<u>8,803,943</u>	<u>8,218,773</u>

### CLASSIFICATION OF EXPENSES BY FUNCTION

	Note	2003 \$	2002 \$
<b>Employee related costs</b>			
Wages		2,600,692	1,866,740
On costs		288,033	194,622
		<u>2,888,725</u>	<u>2,061,362</u>
<b>Overheads – fixed costs</b>			
Premises		253,560	247,567
Administration		49,383	40,677
Insurance		69,328	42,801
Depreciation		74,313	75,892
		<u>446,584</u>	<u>406,937</u>
<b>Overheads – variable costs</b>			
Travel		149,327	253,244
Bad debts		0	600
Computers		125,684	92,639
Consumables		54,759	11,513
Communications		29,371	67,810
Distribution		51,185	193,075
Printing and design		34,473	218,605
Support services		58,797	11,402
Public affairs management		1,991	0
Entertainment		21,962	57,858
Financial charges and interest		7,205	8,125
Fees		86,955	62,554
Fringe benefits tax		14,631	3,908
Asset write-down expense		33,429	0
		<u>669,769</u>	<u>981,333</u>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
<b>Current assets</b>			
Cash assets	6	13,418,532	3,443,383
Receivables	7	308,418	440,130
Guarantee security deposit	8	143,273	61,278
Other	9	166,418	108,768
Total current assets		<u>14,036,641</u>	<u>4,053,559</u>
<b>Non-current assets</b>			
Property, plant & equipment	10	272,355	235,838
Total non-current assets		<u>272,355</u>	<u>235,838</u>
Total assets		<u>14,308,996</u>	<u>4,289,397</u>
<b>Current liabilities</b>			
Payables	11	1,991,547	768,635
Provisions	12	12,188,691	3,466,224
Total current liabilities		<u>14,180,238</u>	<u>4,234,859</u>
<b>Non-current liabilities</b>			
Provisions	12	20,239	0
Total non-current liabilities		<u>20,239</u>	<u>0</u>
Total liabilities		<u>14,200,477</u>	<u>4,234,859</u>
<b>Net assets</b>		<u>108,519</u>	<u>54,538</u>
<b>Fund balance</b>			
Retained surplus		54,538	34,189
Current surplus		53,979	20,349
Accumulated unappropriated surplus		<u>108,517</u>	<u>54,538</u>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

<b>Cash flows from operating activities</b>			
DoHA funding		24,602,173	10,957,113
Receipts from customers		187,805	293,584
Interest received		276,990	162,072
Payments to suppliers		(14,947,563)	(11,008,062)
Net cash flow from operating activities	13	<u>10,119,405</u>	<u>404,707</u>
<b>Investing activities</b>			
Payments for plant and equipment		(144,256)	(180,242)
Proceeds from sale of fixed assets		0	3,485
Net cash flow from investing activities		<u>(144,256)</u>	<u>(176,757)</u>
<b>Net increase in cash held</b>		9,975,149	227,950
Add opening cash brought forward		3,443,383	3,215,433
Closing cash carried forward	1d	<u>13,418,532</u>	<u>3,443,383</u>

The accompanying notes form part of these financial statements.

## Notes to and forming part of the financial statements for the year ended 30 June 2003

### Note 1: Statement of significant accounting policies

The significant accounting policies which have been adopted in the preparation of this report are as follows:

#### (a) Basis of preparation

The financial report is a general purpose report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on an accrual basis and is based on historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

#### (b) Non-current assets

The carrying amounts of all non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

#### (c) Receivables

Debtors are generally settled within 60 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.

#### (d) Cash, short term deposits and bank overdrafts

Cash, short term deposits and bank overdrafts are carried at face value of the amounts deposited or drawn. The carrying amounts of cash, short term deposits and bank overdrafts approximate net fair value. Interest revenue is accrued at the market or contracted rates. Credit risk is minimised as all cash is held with a large bank which has an acceptable credit rating determined by a recognised rating agency.

#### (e) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Trade accounts payable are normally settled within 60 days. The carrying amounts of accounts payable represents net fair value.

#### (f) Taxation

The Company has obtained an income tax ruling and is tax exempt pursuant to Section 50-5 of the Income Tax Assessment Act 1997. Such eligibility is reviewed by the Australian Taxation Office from time to time.

#### (g) Revenue recognition

##### Government contracts

Government contract income is recognised when the money is due.

##### Interest income

Interest income is recognised as it accrues.

#### (h) Plant & equipment

##### Acquisition

Items of plant and equipment are initially recorded at a cost representative of the assets' net realisable value and depreciated as outlined below.

##### Depreciation

Items of plant and equipment are depreciated over their estimated useful lives using the diminishing value method of calculation. Assets are depreciated from the date of acquisition. The office fitout cost has been depreciated over the term of the original lease on the premises at Level 1, 31 Buckingham Street, Surry Hills.

## Notes to and forming part of the financial statements for the year ended 30 June 2003

### (i) Company limited by guarantee

The Company does not have share capital and, in the event of winding up, the liability of members is limited to \$50.

### (j) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated further cash flows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

### (k) Goods and services tax

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.

	2003 \$	2002 \$
<b>Note 2: Revenue</b>		
<b>Operating activities</b>		
– DoHA funding	24,602,173	14,747,553
Less prepaid committed revenue	(12,079,750)	(3,365,196)
– Expended grant funds	<u>12,522,423</u>	<u>11,382,357</u>
<b>Non-operating activities</b>		
– Interest	279,267	176,519
– Expense recovery	33,588	120,569
– Other income	27,722	9,309
	<u>340,577</u>	<u>306,397</u>
<b>Note 3: Surplus from ordinary activities</b>		
Surplus from ordinary activities before income tax expense has been determined after:		
<b>Expenses</b>		
<b>Borrowing costs</b>		
– Credit card fees	383	95
– FID and bank charges	1,345	7,608
– Interest	2,277	422
Total borrowing costs	<u>4,005</u>	<u>8,125</u>
<b>Depreciation of non-current assets</b>		
– Leasehold improvements	11,956	19,435
– Furniture and fittings	11,131	11,151
– Computer equipment	37,454	35,697
– Computer software	2,746	0
– Office equipment	11,025	9,609
Total depreciation	<u>74,312</u>	<u>75,892</u>

## Notes to and forming part of the financial statements for the year ended 30 June 2003

	Note	2003 \$	2002 \$
<b>Note 4: Remuneration and retirement benefits</b>			
<b>Directors' remuneration</b>			
Income paid or payable, or otherwise made available directly to Directors of National Prescribing Service Limited	14	193,477	187,996
The number of directors whose income bands (including superannuation contributions) falls within the following bands:		No.	No.
\$0 – \$9,999		1	1
\$10,000 – \$19,999		2	0
\$20,000 – \$29,999		6	7
\$30,000 – \$39,999		0	0
\$40,000 – \$49,999		1	1
<b>Retirement and superannuation payments</b>			
Amounts of a prescribed benefit given during the year by the Company or a related party to a director or a prescribed superannuation fund in connection with the retirement from office: all superannuation payments are made at a rate of 9% of salary per annum.		17,369	14,400
<b>Note 5: Auditor's remuneration</b>			
Remuneration of auditor			
– Auditing or reviewing the financial report		10,300	8,500
– Other services		4,700	2,700
		<u>15,000</u>	<u>11,200</u>
<b>Note 6: Cash assets</b>			
Cheque account		560,424	79,041
Business investment account		678,285	73,353
Term deposits		12,179,637	3,290,209
Petty cash		186	780
		<u>13,418,532</u>	<u>3,443,383</u>
<b>Reconciliation of cash</b>			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash		13,418,532	3,443,383
		<u>13,418,532</u>	<u>3,443,383</u>
<b>Note 7: Receivables</b>			
Interest accrued		39,472	14,447
Sundry debtors		268,946	425,683
		<u>308,418</u>	<u>440,130</u>

## Notes to and forming part of the financial statements for the year ended 30 June 2003

	2003 \$	2002 \$
<b>Note 8: Guarantee security deposits</b>		
Security deposit – other	200	200
Security deposit – lease Canberra	9,555	9,555
Security deposit – lease Sydney	133,518	51,523
	<u>143,273</u>	<u>61,278</u>
<b>Note 9: Other current assets</b>		
Prepayments	165,318	106,978
Gift tokens	1,100	1,790
	<u>166,418</u>	<u>108,768</u>
<b>Note 10: Property, plant and equipment</b>		
Furniture and fittings – at cost	133,839	113,681
Accumulated depreciation	(35,924)	(24,792)
	<u>97,915</u>	<u>88,889</u>
Computer equipment – at cost	246,566	194,746
Accumulated depreciation	(132,157)	(101,145)
	<u>114,409</u>	<u>93,601</u>
Office equipment – at cost	58,651	56,520
Accumulated depreciation	(35,561)	(24,535)
	<u>23,090</u>	<u>31,985</u>
Leasehold improvements – at cost	10,000	92,890
Accumulated depreciation	0	(71,527)
	<u>10,000</u>	<u>21,363</u>
Computer software – at cost	29,687	0
Less accumulated depreciation	(2,746)	(0)
	<u>26,941</u>	<u>0</u>
Total property, plant and equipment	<u>272,355</u>	<u>235,838</u>

### 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.

	Furniture & Fittings \$	Computer Equipment \$	Office Equipment \$	Leasehold Improvements \$	Computer Software \$	Total \$
Balance at the beginning of year	88,889	93,601	31,985	21,363	0	235,838
Additions	20,157	58,262	2,130	34,022	29,687	144,258
Asset write-downs	0	0	0	(33,429)	0	(33,429)
Depreciation expense	(11,131)	(37,454)	(11,025)	(11,956)	(2,746)	(107,741)
Carrying amount at the end of year	<u>97,915</u>	<u>114,409</u>	<u>23,090</u>	<u>10,000</u>	<u>26,941</u>	<u>272,355</u>

## Notes to and forming part of the financial statements for the year ended 30 June 2003

The net realisable amount for leasehold improvements in the Buckingham Street office premises when they are vacated is estimated to be \$10,000 at market value. Accordingly, leasehold improvements have been written down to this value at balance date, resulting in an asset write-down expense, calculated as:

Historical cost	\$126,912
Less accumulated depreciation	\$ 83,483
Carrying amount	\$ 43,429
Estimated market value	\$ 10,000
Asset write-down expense	<u>\$ 33,429</u>

	2003 \$	2002 \$
<b>Note 11: Payables</b>		
Creditors	524,481	521,803
Credit cards	0	11,836
Sundry creditors	0	1,800
Accruals	738,513	52,578
PAYG payable	62,834	52,867
Superannuation payable	0	23,720
Net GST liability	642,919	67,992
FBT payable	22,800	25,924
FBT salary sacrifice withheld	0	10,115
	<u>1,991,547</u>	<u>768,635</u>

### Note 12: Provisions

#### Current

Employee entitlements	108,941	101,028
Prepaid committed revenue	12,079,750	3,365,196
Total current provisions	<u>12,188,691</u>	<u>3,466,224</u>

#### Non-current

Employee entitlements	20,239	0
	<u>20,239</u>	<u>0</u>

Prepaid committed revenue consists of:

QUM contract	\$ 3,167,000
Medicines Symposium	\$ 95,000
EDQUM contract	\$ 139,750
CQUM contract	\$ 3,427,000
New Drugs contract	\$ 5,251,000
Total	<u>\$12,079,750</u>

## Notes to and forming part of the financial statements for the year ended 30 June 2003

### Note 13: Statement of cash flows

For the purpose of the statement of cash flows, cash includes cash on hand and in banks.

	2003 \$	2002 \$
<b>Reconciliation of the operating surplus</b>		
After tax to the net cash from operations:		
Operating surplus	53,979	20,349
Depreciation	107,741	75,892
Changes in assets and liabilities:		
Trade and other creditors	1,222,912	462,860
Receivables and other debtors	(7,933)	(365,170)
Increase in pre-paid committed revenue	8,714,554	166,043
Increase in provision for holiday pay	28,152	44,733
Net cash flow from or used in operations	<u>10,119,405</u>	<u>404,707</u>

### Note 14: Related party disclosures

The Directors of National Prescribing Service Limited during the year were:

<b>Richard Abbott</b> (appointed 18 June 2001)	<b>Jennifer Bergin</b> (appointed 24 August 2002)
<b>Shane Carney</b> (appointed 18 June 2001)	<b>Nola Witchard</b> (alternate for Allan Rennie resigned 19 May 2003)
<b>Paul Bolt</b> (appointed 11 September 1998)	<b>Rebecca Coghlan</b> (alternate for Janette Donovan appointed 26 November 2001)
<b>Roger Boyd</b> (appointed 16 October 1998)	<b>Michael Bolt</b> (alternate for Allan Rennie appointed 19 May 2003)
<b>Janette A. Donovan</b> (appointed 19 March 1998)	<b>Jay Hooper</b> (alternate for Jennifer Bergin appointed 24 August 2002)
<b>Jay Hooper</b> (resigned 24 August 2002)	
<b>Stephen R. Phillips</b> (appointed 19 March 1998)	
<b>Peter Roush</b> (appointed 27 July 1998)	
<b>Susan Hunt</b> (appointed 24 October 2002)	Some directors are members of NPS Working Groups and are paid sitting fees on the same basis as other members of those Working Groups
<b>Allan Rennie</b> (appointed 8 August 2001)	

### Note 15: Economic dependency

The Company's ongoing operations are dependent on continued funding by the Federal Government.

### Note 16: Segment information

The Company's only activity is to operate as a not for profit Company independent of Government and the pharmaceutical industry but in partnership with health professionals, Government, industry and consumers to promote Quality Use of Medicines that will lead to better health for Australians. This activity is performed solely in Australia

### Note 17: Capital and leasing commitments

<b>Operating lease commitments</b>	2003 \$	2002 \$
Non-cancellable operating leases contracted for but not capitalised in the accounts:		
Payable		
– not later than one year	358,696	163,123
– later than one but not later than five years	624,225	76,440
	<u>982,921</u>	<u>239,563</u>

## Notes to and forming part of the financial statements for the year ended 30 June 2003

The new property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. An option exists to renew the lease at the end of three years for a further two years. Contingent rental provisions within the lease agreement require the rental increase of 5% per year for the next two years, however if the CPI is more than anticipated the landlord can make an adjustment of the rent for CPI.

Contracts for fitout of the new office premises were being negotiated at the end of the financial year. Total costs to be incurred in 2003–04 are expected to be not more than \$600,000, the majority of which will be capitalised as leasehold improvements and depreciated over the life of the lease.

### Note 18: Financial Instruments

#### (a) Interest rate risk

The Company'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 is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2003	2002	2003	2002	Within 1 Year		1 to 5 Years	
Financial assets	%	%	\$	\$	\$	\$	\$	\$
Cash	4.02	3.32	1,238,708	152,394	-	-	-	-
Term deposits	4.5	4.59	-	-	12,179,636	3,290,209	-	-
Total financial assets			1,238,708	152,394	12,179,636	3,290,209	-	-
Financial liabilities	%	%	\$	\$	\$	\$	\$	\$
Total financial liabilities	-	-	-	-	-	-	-	-

#### (b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

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

#### (c) Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

### Note 19: Company details

The registered office of the Company is:

**C/- Australian Company Secretaries Pty Ltd**  
Level 5, National Australia Bank House  
255 George Street  
Sydney NSW 2000

The principal places of business of the Company are:

**Sydney (from 25 August 2003)**  
National Prescribing Service Limited  
Level 7, 418A Elizabeth Street  
Surry Hills NSW 2010

**Canberra**  
National Prescribing Service Limited  
Suite 3, 2 Phipps Close  
Deakin ACT 2601



Grosvenor Schiliro

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NATIONAL PRESCRIBING SERVICE LIMITED  
ABN 61 082 034 393

**Scope**

We have audited the financial report, being the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to and forming part of the financial statements of National Prescribing Service Limited for the year ended 30 June 2003.

The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in the report has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial report of National Prescribing Service Limited is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

**GROSVENOR SCHILIRO  
CHARTERED ACCOUNTANTS**

  
Rodney Charles Grosvenor  
Partner

DATED THIS 22<sup>nd</sup> DAY OF AUGUST 2003 AT SYDNEY