



National Prescribing Service Limited

Annual Report



05



our mission

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

Quality use of Medicines (QUM) 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 co-ordinated approaches to Quality Use of Medicines
- providing independent information about medicines to health professionals and consumers
- using multiple strategies and services to support behaviour change
- encouraging and supporting cross-discipline and cross-sector collaborations
- using incentives
- continuing to evaluate.

NPS annual report 2004–2005

The National Prescribing Service Ltd (NPS) began in March 1998. We are a member-based organisation providing accurate, balanced, evidence-based information and services to health professionals and the community on Quality Use of Medicines. To achieve this we work in partnership with GPs, pharmacists, specialists, other health professionals, Government, pharmaceutical industry, consumer organisations and the community. We are independent, non-profit and funded by the Australian Government Department of Health and Ageing.

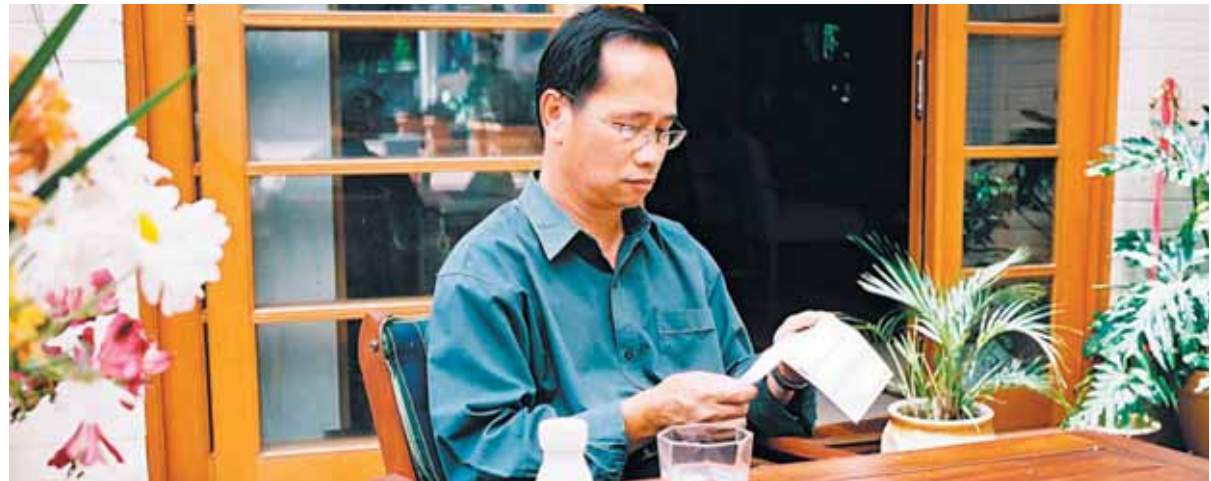
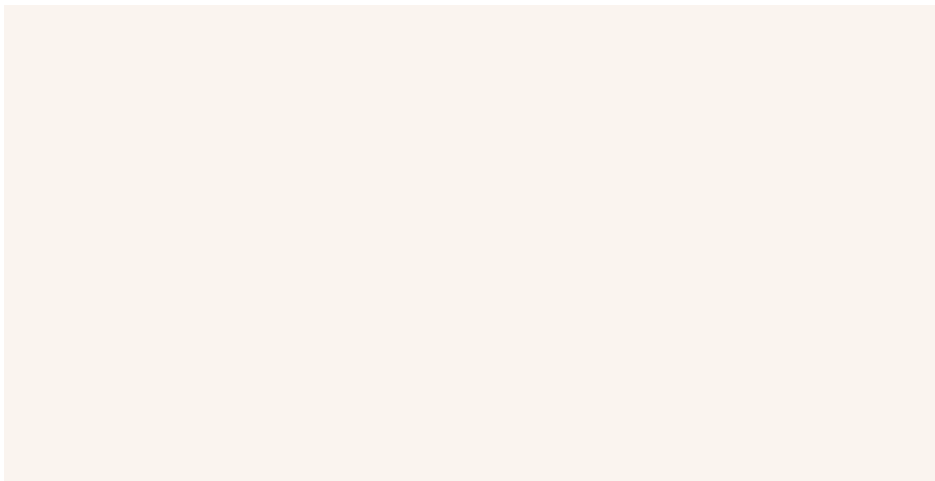
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our vision

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



Our partners

We work closely with our member organisations, partners and stakeholders to update and improve our strategies. Our core suite of strategies has been shown to improve prescribing and use of medicines:

- education, interventions and tools to change or guide prescribing, dispensing and administering behaviours among relevant health professionals
- interventions to inform consumers and raise awareness of QUM issues (and eventually lead to changes in behaviour)
- activities and advice that inform and influence national policy and advocacy about medicines
- products that distil and communicate accurate and unbiased information about medicines
- capacity building in all sectors to promote participation in QUM initiatives
- evaluation of NPS strategies and methodologies and broader QUM evaluation.

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Member organisations

Australasian College of Dermatologists

Australasian Society of Clinical and Experimental Pharmacologists and Toxicologists

Australian and New Zealand College of Anaesthetists

Australian College of Rural and Remote Medicine

Australian Council of Social Service

Australian Dental Association

Australian Divisions of General Practice

Australian Government Department of Health and Ageing

Australian Government Department of Veterans' Affairs

Australian Healthcare Association

Australian Lung Foundation

Australian Medical Association

Australian Nursing Federation

Australian Pensioners' and Superannuants' Federation

Australian Postgraduate Federation in Medicine

Australian Private Hospitals Association

Australian Self-Medication Industry

Carers Australia

Consumers' Health Forum of Australia

COTA National Seniors

Diabetes Australia

Generic Medicines Industry Association

Health Consumers of Rural and Remote Australia Inc

Medicines Australia

National Aboriginal Community Controlled Health Organisation

National Asthma Council Australia

National Heart Foundation of Australia

NSW Therapeutic Advisory Group Inc

Optometrists Association Australia

Palliative Care Australia

The Pharmaceutical Society of Australia

The Pharmacy Guild of Australia

The Royal Australasian College of Physicians

The Royal Australian and New Zealand College of Psychiatrists

The Royal Australian College of General Practitioners

Royal College of Nursing, Australia

Rural Doctors Association of Australia

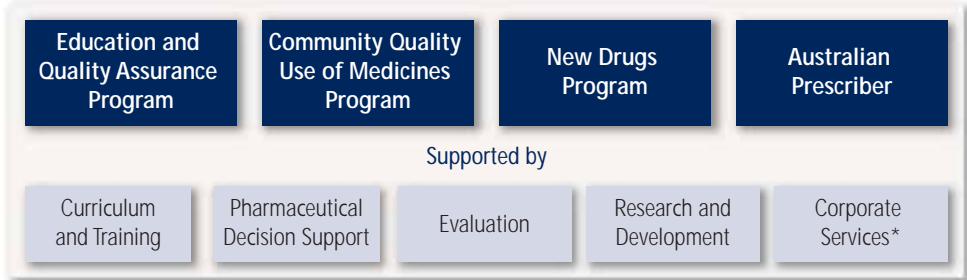
The Society of Hospital Pharmacists of Australia

Therapeutic Guidelines Ltd

Victorian Postgraduate Medical Foundation Inc

Our programs

- Independent, accurate and balanced to deliver better health outcomes
- Offer evidence-based solutions
- Developed and implemented in partnership with key players
- Relevant to the clinician and consumer
- Co-ordinated nationally, implemented locally
- Creative, innovative, responsive and proactive







* Corporate services: Administration, Corporate Public Affairs and Marketing, Finance, Publishing



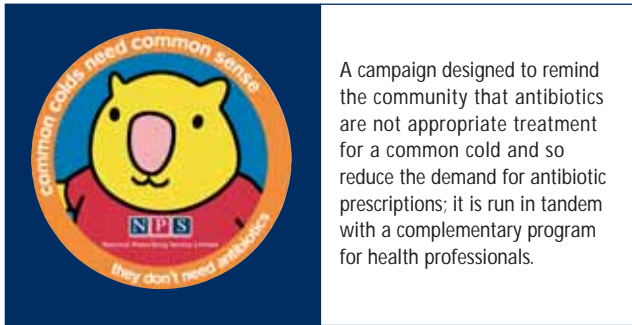
Highlights

Health professionals' and consumers' attitudes, knowledge and skills are changing consistent with the key messages in our programs, according to data routinely collected as part of our ongoing evaluation.

Examples taken from:
 2nd national survey of pharmacists, November 2004
 4th national survey of general practitioners, October 2004
 5th/6th national survey of consumers, August 2004, September 2005
 See www.nps.org.au for full evaluation reports.

	<p>97%* of pharmacists rated NPS as of great or moderate value. Self-audits were most valued, then <i>NPS News</i>, <i>Pharmacy Letter</i> and case studies. Most useful topics: NSAIDs/COX-2 inhibitors, osteoporosis and gastro-oesophageal reflux disease (GORD).</p>	<p>Pharmacists who participated in NPS activities are more likely to report appropriate knowledge and attitudes about evidence-based management of acute sinusitis, allergic rhinitis, dyspepsia, hypertension, asthma and atrial fibrillation.</p>	<p>65% of pharmacists felt more confident in communicating with doctors as a result of NPS activities and products.</p>	<p>86% of pharmacists believed that NPS activities had helped them provide advice to consumers about medicines.</p>										
<p>GPs' knowledge and attitudes towards the quality use of proton pump inhibitors (PPIs) has improved in line with best practice, as shown in pre and post intervention surveys, results which should translate into changes in prescribing and use.</p>	<p>GPs who consider a 'step-down' approach when reviewing therapy for patients with GORD: pre 52% post 67%</p> <p>GPs who agree that all PPIs are very effective and clinically equivalent in most patients: pre 87% post 92%</p> <p>GPs who suggest intermittent, symptom-driven use of PPIs to patients on long-term PPI therapy: pre 36% post 51%</p>		<p>% of GPs correctly identifying amoxicillin as first line therapy for sinusitis:</p> <table border="1"> <tr><td>2000</td><td>44.4%</td></tr> <tr><td>2002</td><td>59.2%</td></tr> <tr><td>2004</td><td>69.5%</td></tr> </table>	2000	44.4%	2002	59.2%	2004	69.5%	<p>% of GPs correctly answering questions relating to hormone replacement therapy and risk of cardiac events:</p> <table border="1"> <tr><td>2002</td><td>36%</td></tr> <tr><td>2004</td><td>59.3%</td></tr> </table>	2002	36%	2004	59.3%
2000	44.4%													
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2002	36%													
2004	59.3%													
	<p>82.6% of GPs felt the <i>common colds need common sense</i> campaign was helpful in promoting the message to patients that antibiotics were inappropriate for common colds.</p>	<p>Improvements in prescribing have been demonstrated, including increased use of metformin, increased use of low-dose thiazides, decreased use of high-risk NSAIDs and reduced use of antibiotics. Although not yet measurable, improved health outcomes (e.g. reductions in stroke, gastric haemorrhage and diabetes complications) would be expected to follow from these improvements.</p>												

* Figures represent percentage of survey participants.



A campaign designed to remind the community that antibiotics are not appropriate treatment for a common cold and so reduce the demand for antibiotic prescriptions; it is run in tandem with a complementary program for health professionals.

'I think [NPS] is an excellent service. It makes you think about what you do and why.'

% of consumers who reported taking an antibiotic the last time they suffered from a cold or flu:

1999	11%
2004	7%



% of consumers who report receiving a consumer medicine information (CMI) leaflet with their last new prescription:

2003	13%
2005	30%

% of consumers reading a CMI with their last new prescription:

2003	12%
2005	27%



% of consumers asking question(s) the last time they were prescribed a new medicine:

asked doctor	
1999	48%
2005	56%
asked pharmacist	
1999	16%
2005	29%

Provision of timely, balanced and independent information about new drugs remains a priority.

Through *NPS RADAR*, health professionals receive information on new and revised listings to the Pharmaceutical Benefits Scheme (PBS) and new and emergent research findings; through our New Drugs Seminars they can improve their knowledge and skills in evaluating new drugs.

In a recent survey, most readers of *NPS RADAR* valued it for:

- high quality
- objective information, based on 'facts'
- information that placed new drugs in the context of current therapies and existing treatment regimens.



40 New Drugs Seminars were held in 2005, attended by 1457 health professionals. After attending a seminar:

- 90% agreed they knew how to select which new drugs would be best for their patients
- 92% agreed they understood the rationale for newer roles for older drugs
- 94% agreed they felt more confident discussing requests for new drugs with their patients.

'I routinely read NPS printed information and *Australian Prescriber*. I believe it is vital that GPs have access to independent information about pharmacotherapies. It has influenced my prescribing practices for the better.'



From mid 1998 to June 2004 (latest figures available) NPS activities have generated savings of at least \$235.7 million to the PBS, \$79.1 million in excess of the contracted amount to be saved in the contract period ending 30 June 2005.

Report by Chair and CEO



Steve Phillips.

Dr Stephen Phillips
Chair
NPS Board

NPS ends this financial year buoyed by the fact that QUM activities are making a difference to the quality of prescribing and medicine use in Australia—a fact that is becoming evident in professional and community practice and in policy environments. Especially notable is the renewal of NPS contracts with the Australian Government (Department of Health and Ageing) which sees funding for our QUM programs extended for another four years to 2009.

NPS is now widely acknowledged as having made a strong contribution to the increased awareness of the importance of having QUM principles incorporated throughout the health sector. Much of this has been led by the intense focus we have maintained on reaching GPs with educational activities and information resources that help to underwrite more informed decisions about their prescribing.

While this will continue to be a core part of our work with health professionals, we are also actively engaging more pharmacists in our programs, and some inroads have been made in improving QUM practices in hospitals and aged-care facilities and among other specialist doctors and nurses. The health community at large considers the balanced, unbiased and factual information we provide to be an essential resource, and the educational function we fulfill at the student stage of professional development is also highly valued. Of great importance is our consumer program, which continues to expand to include general community education and a range of activities in specific populations such as rural communities, seniors, and indigenous and multicultural communities. We are also moving towards greater integration of themes and messages within health professional and consumer programs.

These activities are producing results. Data gathered through our ongoing evaluation show that changes are occurring in knowledge, attitudes and skills across the health professional and consumer sectors and, as a natural flow-on from this, in the utilisation of medicines (see page 4). We are confident we will see further improvements in quality prescribing and use of medicines, and eventually improved health outcomes—our key goal.

Our challenge is to ensure that our programs for both health professionals and consumers over the next four years continue to be sophisticated enough to deal with the complexities of the environment in which we operate, and responsive enough to meet the needs our different audiences have for varied models of service delivery.

To do this we need to thoroughly understand the determinants of consumer and health professional decision-making and behaviour, including barriers to and facilitators of change. In this Annual Report you can read about the work we have done this year in exploring medicines issues with consumers from multicultural communities (page 10), and with GPs in identifying, among other things, the clinical management problems and other dilemmas they face in relation to specific therapeutics (page 16).

As our programs and services grow in complexity and scope, we don't want to lose sight of the fact that NPS is built upon the commitment and work of earlier champions of QUM. The QUM movement began in the late 1980s and its momentum resulted in Australia's National Medicines Policy coming into effect. As the medicines environment evolves we need to ensure that the initial philosophy is kept alive by continuing to engage all the groups involved in QUM, and by demonstrating the value and benefits of QUM to newcomers in the health and political sectors. And of course by asking the right questions: How are we progressing? Is it appropriate to keep following the already established route? Will our programs lead to improvements in health outcomes?

We have been fortunate enough to have some of the pioneers of QUM with us since our beginning. This year, Emeritus Professor Tony Smith and Associate Professor Andrea Mant retired from their positions as chairs of the Curriculum and Training Working Group and Prescribing Intervention Working Group, positions they have held since we opened our doors in 1998. Both Tony and Andrea have significantly contributed to QUM in Australia and internationally as well as being seminal forces in the growth and success of NPS. We are indebted to them for sharing their expertise, experience and enthusiasm with us.

We are well positioned to take on the challenges the next four years and beyond will bring, and we will ensure that the power of effective partnerships is made to live in the pursuit of QUM in Australia. Over the past months, our member organisations and other stakeholders, board members, working groups and staff have had the opportunity to envision the shape of NPS in the year 2009, and develop the objectives and strategies that will get us there. Our evaluation plan has been critically reviewed, taking into account the changing content and increasing complexity and scope of our programs. Consistent with the original, our revised evaluation plan aims to provide information that is useful to the future decisions of a wide range of internal and external audiences, policy makers and researchers and to support our development and accountability (see page 24).

We remain committed to QUM principles, service provision, support of health professionals and consumers to engage more actively in QUM and an appreciation of the systemic barriers to this engagement. We will continue to work in collaboration with others interested in QUM, to facilitate national consistency of initiatives to support QUM and to engage all players in the 'environmental chain' of medicines use. We will ensure the culture and focus that have brought

NPS success to date remain core motivators over the years to come. And above all, we will stay focussed on our central goal: to optimise health outcomes for people in the Australian community through quality use of medicines, and to ensure that these outcomes are economically sustainable.



A handwritten signature in black ink, appearing to read 'Lynn Weekes'.

Dr Lynn Weekes
Chief Executive Officer

Corporate governance report

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Good corporate governance structures encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.¹

Board composition

Consistent with constitutional amendments approved at the 2004 Annual General Meeting, there have been significant changes in the processes for nomination and board appointments. It is believed that the new arrangements, with nomination and selection criteria based on the needs of the organisation, will ensure an effective composition for the board while maintaining a pivotal role for member organisations. To assist in this process, a new board subcommittee has been formed.

The Annual Report lists all directors and alternates, giving a brief profile of board members (see page 25). Although there have been several new directors join the board over recent years, some were appointed to the organisation at or near its inception and are now in their final three-year term.

Board meetings

The board has continued to meet regularly throughout the year, usually joined by senior staff and working group chairs. With the continued growth in the range and complexity of programs provided, processes for reporting on operational performance are being streamlined and alternative, less frequent forums for

interaction with working group chairs and program managers are being implemented in order that the board can focus most effectively on its core responsibilities.

There is generally a high level of attendance and each director's record of attendance is noted in the Director's Report which is provided later in this Annual Report with the Financial Statements, as are details of directors' remuneration. Member organisations are promptly informed of key outcomes following each board meeting.

Role of the board

In keeping with the board's role, a critical focus remains the determination of the organisation's strategic goals and preparation of the strategic plan, with adoption of the Organisational Plan 2005–2009: Objectives, Strategies and Activities, plus annual plans and budgets.

The board has reviewed its role statement, adopted in the early years of the organisation's development, and is moving toward adoption of a new board charter. It has also commenced a review of its risk management framework with the aim of improving reporting to the board on high priority matters.

Board committees

The Audit Committee, previously the only formal committee of the board, continues to meet regularly and make recommendations to the board on a range of matters including the monitoring and reporting of financial performance, management performance reviews and remuneration, recommendations to the board on budgets, contracts, insurance and other risk management issues, plus policies dealing with these matters.

As noted previously, a second board subcommittee has been formed this year. The Nominations Committee is assisting with implementation of changes to the processes for determining core and class-specific criteria for board nominees, including consultation with member organisations, and with consideration of nominees for appointment by the board.

Since its inception, a significant key to the success of the organisation has been the effective operation of a number of working groups, with their members bringing tremendous expertise to advise management on the major programs. Although these are not board committees, most working groups include a director and key issues are reported to the board. During the year a significant review of

working group structures, terms of reference and composition was completed, with the aim of ensuring they best meet the needs of the organisation in the years ahead.

Board performance

The board has conducted self-assessment of its performance for several years and this year moved toward more closely aligning its performance objectives with the key strategic objectives of the organisation.

With the support of management, members and other key stakeholders, the board has been pleased with the achievements of the past year, most notably the successful renegotiation of ongoing contracts, for four years from 2005, with the Australian Government Department of Health and Ageing. This will allow for continuation and some enhancement of most of the major programs delivered. The organisation remains committed to rigorous evaluation of the outcomes and achievements of its programs.

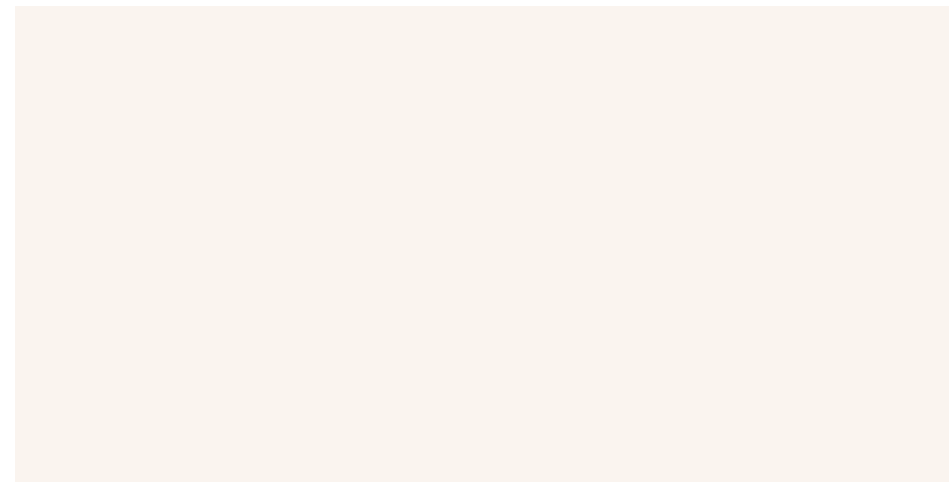


Dr Roger Boyd
Chair
Audit Committee

Independent information to support decision making



Consumers and health professionals need accurate, independent information to make decisions about medicines that will optimise treatment and be cost effective. We distil and communicate this information through products and services designed to inform, raise awareness, and support decision making and changes in behaviour that will lead to improved prescribing and use of medicines.



Information tailored to meet people's needs



10 *Medicines without the mix-ups* for people from Chinese, Italian, Greek and Vietnamese speaking backgrounds.



Ngoc Han, Executive Producer Vietnamese Program, discussing *Medimate* and *medicines without the mix-ups* on SBS Radio.

Lack of English skills and poor literacy in their own language make it difficult for older generations of migrants to Australia to make informed decisions about medicines. More recent migrants find the Australian system, with its strict control and regulation of medicines, hard to navigate, especially when in their home country they have been able to obtain medicines without prescriptions.

Cultural beliefs impact on how people use medicines and the need they have for information. In some communities, people rely strongly on traditional or folk medicines that might include herbs from the garden, alcohol rubs or ointments prepared at home. Western medicine is seen by some as 'toxic' but traditional medicines as 'safe'. People who come from places where access to a doctor is difficult or expensive are quite used to treating illnesses with remedies passed on from generation to generation. For many people, family and friends are the primary source of information about medicines.

These are some of the issues identified in a series of focus groups and one-on-one interviews we recently conducted with Vietnamese, Chinese, Greek and Italian speaking people. Data gathered are helping us to tailor information about quality use of medicines to suit the needs of people from these communities, and to find the right communication channels for passing on the information.

Preferences for obtaining information about medicines varied among individuals in all five language groups. Doctors and pharmacists were identified as important sources of information for many people, both in providing information directly and verifying information obtained elsewhere. Many of the people we spoke to want to obtain information about medicines from a health professional who speaks their own language, but some felt that it was not always possible to find a doctor who did so or who had the time to spend with them.

Community language radio programs are popular with some while written information that can be used as a reference, such as consumer medicine information (CMI) leaflets or a medicines booklet, are favoured by others. The internet was also cited as a source of information, although concerns were expressed about the trustworthiness of this information.

Participants from all the language groups liked the idea of 'health talks' but were unsure about the benefits of these being run by peer educators rather than health professionals. However, in tandem with Combined Pensioners and Superannuants Association (CPSA), we recently trialled peer education sessions with Cantonese, Mandarin, Greek, Vietnamese and Italian speaking seniors. Those who attended these sessions showed remarkable acceptance of peer educators as people to whom they could relate and discuss their problems and concerns about medicines.

Through our Community Quality Use of Medicines program, we assist people to understand why and how to use medicines and where to obtain information that is reliable. We acknowledge the cultural importance of traditional medicines and emphasise the need to let the doctor know what is being used so that both doctor and patient understand the complete picture before adding further medicines to the regimen. To encourage consumers to become more active in their medicines management, we provide tools such as 'Questions to ask your doctor and pharmacist' and 'Your medicines list', both found in our *Medimate* booklet available in Chinese, Vietnamese, Greek, Italian and English.

We are exploring various avenues of providing information to people from each of the language groups, for example community radio programs, audio-visual means, through interpreters, and as part of programs to learn English. We will also be consulting with other communities to identify language groups with a high need for support in understanding quality use of medicines.

'People in the countryside use medicines themselves. Information about medicines is passed from one individual to another.'
– Focus group participant

For consumers

Our Community QUM program aims to promote better health by building awareness, knowledge and skills in the community that will lead to quality use of medicines (QUM).

Interventions based on community development and health promotion models are targeted to populations with the greatest need: seniors, multicultural communities, Aboriginal and Torres Strait Islanders and rural communities.

Interventions are currently being evaluated in terms of impact on knowledge, attitudes and behaviour: results of these analyses will be available on our website by the end of 2005.

Valued support from partners

We value the expertise and support of our major partner, Consumers' Health Forum of Australia, in developing and implementing our program. We also value the support of other community organisations in ensuring our program meets the needs of people at a local level.

Seniors

Strategies: Peer education, skills development

Partners: COTA National Seniors Partnership, Combined Pensioners and Superannuants Association of NSW Inc

- 180 peer educators have completed training to run community education sessions to assist seniors to take a more active role in their medicine use; more than 730 sessions have been run Australiawide, attended by 16,000 consumers, and we are well on the way to reaching our target of 1500 by the end of the year.
- 76 peer educators have completed training to work with multicultural seniors; 60 sessions have been held in NSW attended by 1121 Cantonese, Mandarin, Greek, Italian and Vietnamese speaking people.

Multicultural communities

Strategies: Community engagement, media activities, information in many languages

Partner: Federation of Ethnic Communities' Councils of Australia (FECCA)

- Launched by the Minister for Health and Ageing, Tony Abbott, in February 2005.
- Chinese, Vietnamese, Greek and Italian versions of *Medimate* have been produced and distributed through Medicare offices, ethno-specific community organisations and health professions; distribution has been

supported by community spokespeople participating in talkback radio segments.

- Community service announcements in Chinese, Vietnamese, Italian and Greek have been aired on SBS Radio.
- 79 grants were awarded to organisations working with multicultural communities to run local ethno-specific community education sessions.
- 500 teaching modules incorporating QUM issues have been distributed through the Adult Migrant Education Service (AMES).
- We received the FECCA Award for services to multicultural communities, and the 2005 NSW Multicultural Communication Award for non-government organisations.

Aboriginal and Torres Strait Islander communities

Strategies: Health worker training

Partner: National Aboriginal Community Controlled Health Organisation

- Strategic input into the development of competencies for training Aboriginal Health Workers.
- Train the trainer units for senior Aboriginal health workers are being developed on four topics: QUM, diabetes, asthma and hypertension.
- Sites for piloting training materials: Kimberley Aboriginal Medical Services Council, Victorian Aboriginal Medical Service and Port Lincoln Aboriginal Medical Service.

Rural communities

Strategies: Community education, awareness raising through local media activities

Partners: Consumers' Health Forum of Australia, Health Consumers of Rural and Remote Australia

- Funded 16 local QUM projects in communities from Tamworth to north east Arnhem Land.
- Community initiatives included presentations, developing culturally appropriate materials and developing best practice guidelines.
- Disseminated key messages through local community media, including television interviews and community service announcements on radio.
- Conducted needs assessment of local QUM issues.
- Held 142 community events attended by over 5100 consumers.
- Identified 15 communities for in-depth QUM engagements and support by Consumers' Health Forum of Australia.



Harvey the wombat – helping children and carers understand that antibiotics may not be needed for a common cold.



Get to know your medicines – a complete kit to assist consumers run QUM events in their community.



National activities

Strategies: Awareness raising, activating consumers

For Medicines Without the Mix-ups

Aims to assist consumers recognise and identify trustworthy information about medicines and play an active role in talking with health professionals.

During October and November a national advertising campaign ran on television, in print and on buses, and as editorial. Twenty-two per cent of the surveyed population recalled the campaign television advertisement. One and a half million copies of the written resource *Medimate* were distributed following this and a previous advertising campaign that ran earlier in 2004.

common colds need common sense

Aims to improve appropriate symptomatic management of cold-like symptoms and reduce inappropriate use of antibiotics; runs in tandem with a program for health professionals.

- Dr Karl Kruszelnicki and his 6-year-old daughter Lola launched the program at Moore Park Childcare Centre on 18 May.
- Good Health TV took the campaign messages to 1200 medical centres and pharmacies and 70 hospitals.
- Print and online resources were targeted at parents, carers and children aged 2–9 years, including brochures, posters and a new children's storybook *Harvey Catches a Cold*.

- Resources were sent to childcare centres, preschools, kindergartens, some primary schools, GPs, community pharmacies, and some hospital emergency departments and pharmacies.
- Information sessions were held in 47 childcare centres.
- 22,500 *Harvey* books and more than 1.1 million *common colds need common sense* brochures were distributed.

At www.nps.org.au

Consumers can find trustworthy information about medicines on our website. Nearly 800 consumer medicine information (CMI) leaflets are available online and can easily be searched by the generic drug name or the brand name. Each month around 2500 unique visits are made to the CMI section of our website.

From health professionals

Tools to assist health professionals and consumers discuss and decide on an appropriate therapeutic course are available in print, via the web and, with the support of software vendors, in GPs' prescribing software. Tools include NPS patient materials and information from *NPS RADAR*. Topics include symptomatic management of respiratory infections, self-management of heart failure and use of proton pump inhibitors. In the future we aim to incorporate 'push of a button' access to CMIs from doctors' prescribing windows to remind the doctor to provide patients with CMIs of the drugs reviewed in *NPS RADAR*.

In print: *MedicinesTalk*

- Written for consumers by consumers.
- Distributed quarterly to more than 2000 consumers and community groups. Recent articles included 'What to do with left-over medicines', 'Understanding preventive medicines', and 'Hype and hope in the media'.

By phone: NPS Medicines Line 1300 888 763

- 14,800 calls answered this year.
- Most common enquiries: adverse drug reactions (20.6%), drug interactions (14.2%), how medicines work (9.7%).
- Most commonly asked about medicines: anti-depressants and antihypertensives.

Through community networks

Get to Know Your Medicines Kit has been developed as a tool box for consumers to run QUM events in their community. At June 2005, 382 copies have been distributed.

Your medicines list

Now available to assist consumers keep a detailed list of all the medicines they are taking, including over-the-counter and complementary medicines. Consumers are encouraged to take the list with them when talking with their doctor and pharmacist.

For health professionals

NPS regularly provides health professionals with evidence-based, independent information to guide decisions about prescribing, dispensing and administering medicines, including those newly listed on the PBS. Information is provided in print, in prescribing software and on the web, via the telephone and at seminars and workshops.

In print and electronically

Australian Prescriber and *NPS News* are published six times each year on a range of therapeutic topics. More than 55,000 health professionals receive both *Australian Prescriber* and *NPS News*. *Australian Prescriber*, in its 30th year of publication, is also available electronically at www.australianprescriber.com; around 60,000 visits are made to the home page each month. Articles in *Australian Prescriber* this year included 'Vascular effects of COX-2 inhibitors', 'Warfarin: balancing the benefits and harms', 'Starting insulin in type 2 diabetes', and 'Varicella vaccine'.

NPS RADAR (Rational Assessment of Drugs and Research) provides independent information to health professionals on new and revised listings to the PBS as well as new and emergent research findings. It includes the reason for PBS listing (rationale behind listing), place in therapy, safety issues, dosing issues and relevant consumer information. *NPS RADAR* is provided electronically and in print to all health professionals in Australia.

Access to reliable information and prompts at the point of decision making have been shown to positively influence prescribing. To that end, *NPS RADAR* and other NPS materials have been incorporated into prescribing software. We are also working with policy makers, software developers and others contributing to the national e-health agenda to ensure that QUM principles are included in decision-support software, and that data capture and information provision are consistent with QUM. In collaboration with the General Practice Computing Group and the University of Melbourne, research has been carried out into the modelling and development of decision-support resources.

NPS RADAR releases 2004–2005

August 2004

Carvedilol (Dilatrend) titration pack for heart failure
Ethacrynic acid (Edecrin) tablets
Ezetimibe (Ezetrol) for dyslipidaemia
Fenofibrate (Lipidil) for dyslipidaemia

December 2004

Galantamine (Reminyl) prolonged-release capsules for dementia in Alzheimer's disease
Orlistat (Xenical) over-the-counter for obesity
Quinine (Quinate, Quinbisul, Quinsul) for muscle cramp
Sertraline (Zoloft) and fluoxetine (Lovan, Prozac) for premenstrual dysphoric disorder

April 2005

Metformin/glibenclamide (Glucovance) for type 2 diabetes mellitus
Pimecrolimus (Elidel) cream for facial atopic dermatitis in children
Risperidone (Risperdal) for behavioural disturbances in dementia
Rosiglitazone (Avandia) for type 2 diabetes mellitus (updated August 2005)
Selective serotonin re-uptake inhibitors in child and adolescent depression



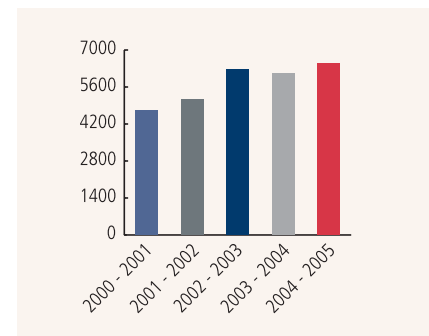
Seven issues of *NPS RADAR* have been released since November 2003, providing 30 reviews. Around 60,000 health professionals receive *NPS RADAR* free of charge.

Early feedback from readers indicates that they value *NPS RADAR* for providing unbiased, independent information that is an alternative to information from the pharmaceutical industry. Readers particularly value the publication's brevity, format, timeliness, relevance and accessibility.

Over the phone

We continue to fund the Therapeutic Advice and Information Service (TAIS), the telephone service that can be accessed by health professionals with patient-specific questions about medicines. A consortium of six expert drug information centres operates the service on our behalf.

Overall, 28,735 calls have been received by TAIS. Calls to the service are primarily about drug interactions and adverse drug reactions. Ninety-seven per cent of clients surveyed rated the manner in which their enquiry was treated as excellent or good, and thought that appropriate information was provided clearly and in time to be of use.



Telephone calls to TAIS



New Drugs Seminars

Building on expert speaker networks, and content and formats developed for earlier drug seminars, we successfully developed and rolled out a national series of 40 New Drugs Seminars between 19 February and 29 June 2005.

Aimed at improving prescriber decision making through the provision of timely, accurate, evidence-based and independent information, the seminars successfully targeted general practitioners and pharmacists in urban, rural and remote areas of Australia.

Organised in partnership with local co-hosts, including 51 divisions of general practice and four Pharmaceutical Society of Australia State branches, the seminars reached 1457 health professionals and engaged 58 different speakers from various backgrounds including general practice, clinical pharmacology, geriatrics and clinical pharmacy.

Evaluations have demonstrated the seminar's positive value, relevance and appropriateness for the target audience. The model will be built on next year with enhancement contracts provided to divisions of general practice to run continuing education events on similar themes, with support and resources provided by NPS.

The seminars covered a range of topics that fell under four broad themes:

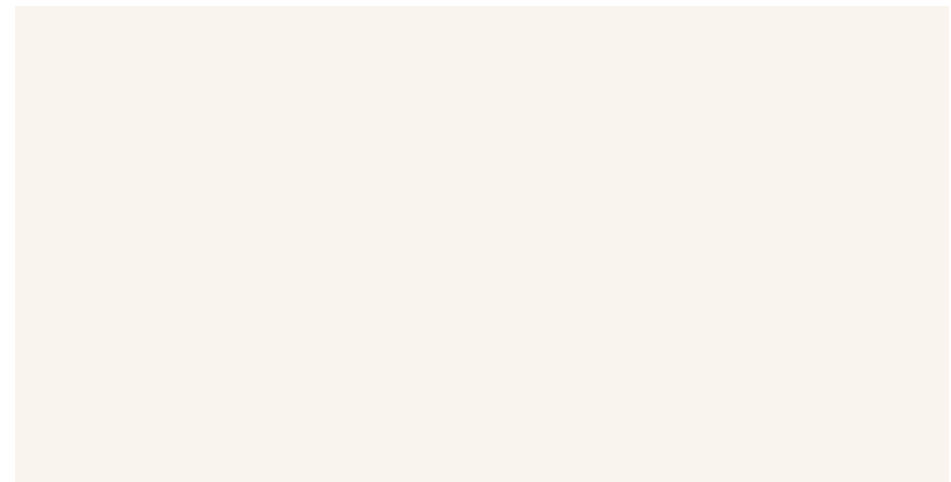
- Plucking the heart strings: cardiac case scenario
- Many choices, any differences?
- Reality checks: is newer better and for whom?
- Wisdom of hindsight

After attending a New Drugs Seminar, 94% of delegates said they felt more confident discussing requests for new drugs with patients, and 90% said they knew how to select which new drugs would be best for their patients.

Interventions to improve the quality of prescribing



We systematically target drug use areas where education and information will improve prescribing and use of medicines. Social marketing theory and practice are applied to develop key messages for improvements in drug use. Multiple evidence-based interventions are used to deliver key messages to health professionals and, for some programs, consumers.



Interventions that work for GPs

Interviews with GPs are a key component of our program development, alongside systematic reviews of drug therapy trials and other research.

Through structured telephone interviews, GPs identify the clinical management problems they face in relation to therapeutics in a particular disease, their current prescribing patterns, dilemmas in therapeutics, deviations from best practice, knowledge gaps, and attitudes contributing to less than optimal drug use.

These data are considered by a multidisciplinary panel of experts in health service improvement to identify objectives and key messages for our interventions. This method allows us to target key messages to drug use problems where there is a need for change, and to develop programs that are clinically relevant and more likely to be accepted by users.

Below is a case study of the process in action with one of this year's topics.

Case study

Goal: To develop an intervention program to improve drug use in managing heart failure in primary care

Results of review of drug utilisation data

- Australian^{1,2} and international studies continue to show that ACE inhibitors are underutilised.
- Beta-blocker use has increased since unrestricted subsidised supply³, suggesting GP familiarity with prescribing.
- Survey of GP prescribing shows a high level of diuretic-only treatment.⁴

Sources

1. Krum H, Tonkin AM, Currie R, et al. Chronic heart failure in Australian General practice: the Cardiac Awareness Survey and Evaluation (CASE) Study. *Med J Aust* 2001;174:439-44.
2. AIHW GP Statistics and Classification Unit. SAND abstract No.38 from the BEACH program: Prevalence of chronic heart failure, management and control. Sydney: GPSCU University of Sydney, 2003.
3. Number of scripts of all forms of bisoprolol and carvedilol: Drug Utilisation Sub-Committee, Australian Government Department of Health and Ageing.
4. Prescribed medications for heart failure in a cohort of patients from Jan–Nov 2003: General Practice Research Network, Health Communication Network.

Results of interviews with, and feedback from, GPs

- GPs' awareness of the role of ACE inhibitors is high.

- GPs are uncertain about the role of beta blockers.
- GPs are uncertain about current thinking on use of digoxin and the need for strategies to improve patient compliance.
- Feedback during implementation of the 2000 program identified barriers to the key messages that could be overcome by tailoring information to meet GP needs.

Impact on program

Objectives and key messages for the 2004 program were developed from these findings. Intervention tools were developed to address knowledge and skill gaps, attitudes to management and barriers to change.

Objectives

- To increase appropriate use of ACE inhibitors (unless contra-indicated) in all patients with all grades of systolic heart failure.
- To increase use of selective beta blockers (carvedilol, bisoprolol or metoprolol SR) in stabilised systolic heart failure (with other appropriate agents).
- To increase awareness of commonly used drugs that exacerbate heart failure (NSAIDs, including COX-2 selective NSAIDs; negative inotropes, glitazones).
- To increase GP communication and provision of written information to patients.

Key messages

Use ACE inhibitors in all grades of systolic heart failure.

Use beta blockers in stabilised systolic heart failure.

Titrate ACE inhibitors and beta blockers carefully and slowly to the highest dose tolerated for proven survival benefits.

Look for, and avoid, drugs that may exacerbate heart failure.

Ensure patient understanding of heart failure and treatment goals to maximise compliance and outcomes.

Interventions

- *NPS News*
- Case study
- *Prescribing Practice Review 28*
- Educational visiting in divisions of general practice
- Case-based peer group meetings to discuss drug use
- Collaboration with the National Institute of Clinical Studies and National Heart Foundation of Australia
- Group meetings of GPs to discuss use of echocardiography

Education and Quality Assurance Program

- Operates at national and local levels.
- Offers health professionals opportunities to participate in activities that have been shown to improve prescribing and use of medicines.
- Activities include printed information, mailed feedback on personal prescribing, clinical audit for GPs, self-audit for pharmacists, educational visiting, peer group discussions and responses to written case studies.

The number of individual GPs and pharmacists participating in our activities each year has grown considerably (see graphs for more detail). About 95% of all vocationally registered GPs and 20% of all pharmacists in Australia have participated in at least one NPS activity since we began in 1998. More than half of the 17,800 GPs who have ever participated in NPS programs have participated in three or more activities in that time.

Uptake is not the only indicator of success; we need to ensure that programs **improve knowledge, skills and behaviour**. This year a survey of GPs participating in a previous NPS program, 'Optimising use of proton pump inhibitors', showed that GPs' knowledge and attitudes regarding the quality use of proton pump inhibitors had improved in line with best practice evidence. This is only one of the surveys conducted with GPs and pharmacists that help us ensure our programs have the desired impact on users and will improve health.

Our educational activities are linked with other professional development schemes to

maximise participation by nurses, GPs and pharmacists. This year educational visits were accredited by The Royal Australian College of General Practitioners and Australian College of Rural and Remote Medicine, and our self-audits became part of the pre-registration requirements for pharmacists.

Nurses receive relevant NPS materials; for example, this year diabetes educators received *NPS News* and *Prescribing Practice Review* on 'Reducing risk in type 2 diabetes'. A series of QUM in Nurse Education workshops was held in collaboration with PHARM, and a Nursing Advisory Group has been established.

Through our CAPTION project, we assist **hospital staff** to improve clinical practice in their own environment. Thirty-seven hospitals are involved in a drug usage evaluation project that aims to improve management of community-acquired pneumonia in hospital emergency departments. Resources have been developed and supplied, and project officers within the hospital setting have been trained in educational visiting techniques and skills. Work is continuing, in collaboration with the University of Tasmania, Victorian Medicines Advisory Committee, Queensland Drug Usage Evaluation Group, New South Wales Therapeutic Advisory Group, and Infection Control Service/ Department of Health, South Australia.

To facilitate uptake of national guidelines about appropriate use of benzodiazepine and other hypnotics in **residential aged-care facilities**,

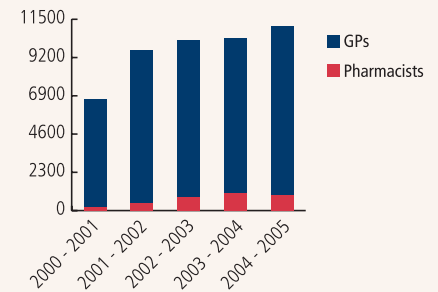
a comprehensive audit kit was developed this year and can be downloaded from our website. The kit is designed to assist staff in these facilities examine use of hypnotics against best practice and identify strategies to minimise use. In three months, 150 kits have been downloaded. Further work is planned to address QUM issues with medication advisory committees in these facilities.

Our expertise is often called upon by other providers of QUM services. We are part of a group assisting the Department of Veterans' Affairs with the Veteran's MATES Project. Veterans' MATES is being undertaken in partnership with the University of South Australia Quality Use of Medicines Pharmacy Research Centre, Department of General Practice and Department of Public Health, University of Adelaide, NPS, Australian Medicines Handbook, Drug and Therapeutics Information Service (DATIS) and Repatriation General Hospital, Daw Park SA.

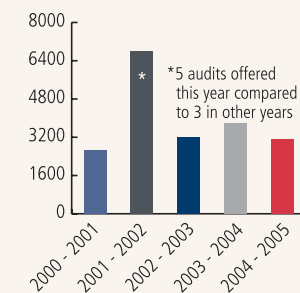
NPS assists the Department of Health and Ageing and Australian Divisions of General Practice with the Enhanced Divisional QUM (EDQUM) Program, specifically with training GPs to use drug usage data to improve their prescribing. In a series of EDQUM workshops held this year, prescribing data were successfully used as the basis for peer group discussions; 61% of participants agreed that the workshop stimulated them to think about using desktop prescribing data to review their prescribing patterns.

Participation rates

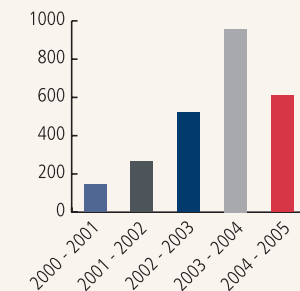
Unique health professionals participating in NPS activities



Total no. of GPs completing NPS clinical audits



Total no. of pharmacists completing NPS self-audits



Therapeutic topics

We focus on four to six therapeutic topics each year. Topics are determined after considering a range of information, including: data from focus groups or interviews with GPs and pharmacists; needs analyses from divisions of general practice; drug utilisation data showing variation in prescribing; consultation with specialist colleges and societies; unexpected and unexplained growth in PBS utilisation and availability of new evidence.

Criteria used for selecting therapeutic topics

- 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

Managing depression

Commenced August 2004

Key messages

Use an effective drug treatment for at least 6 months in major depression.

Four to six weeks of drug treatment may be needed before an effect is seen.

Depression-specific psychological therapies are first line in mild depression and effective adjuncts in more severe depression.

Ask about suicidal thoughts and assess risk, especially during initial treatment.

Advise patients what to expect from drug therapy: likely adverse effects, time to effect, and the expected course of treatment.

Strategies

PPR 27 with prescribing feedback to 18,310 GPs

PPR 27 to 16,144 pharmacists, 5818 other medical specialists, 659 GP registrars

NPS News 35 to 55,000 GPs, specialists, pharmacists, other health professionals, students

Case study 33 950 health professionals and students participated

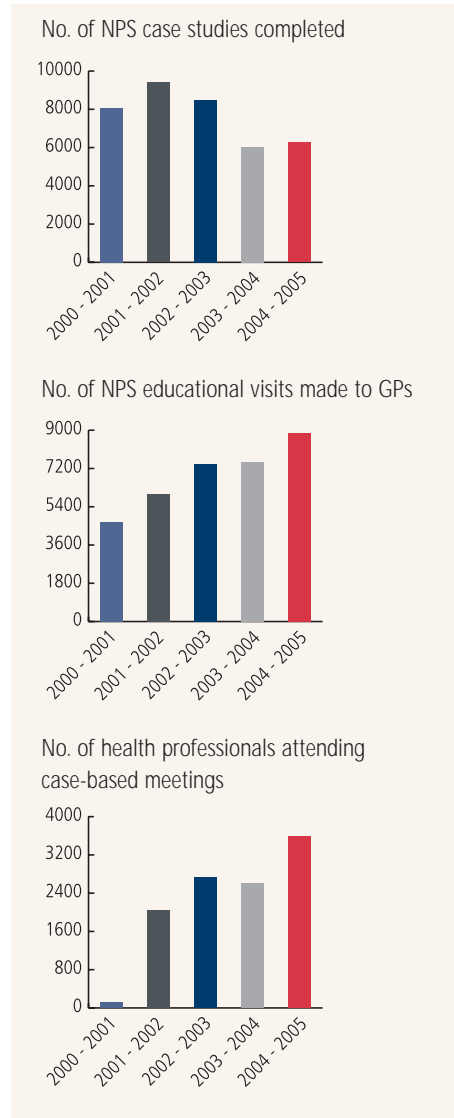
Case study PH9 257 pharmacists and pre-registration pharmacists participated

Clinical audit 1250 GPs participated

Self-audit 304 pharmacists and pre-registration pharmacists participated

Educational visits Commence late 2005

Divisional case study group discussions Commence late 2005



Improving outcomes for heart failure patients

Joint program with the National Institute of Clinical Studies and National Heart Foundation of Australia
Commenced October 2004

Key messages

Use ACE inhibitors in all grades of systolic heart failure.

Use beta blockers in stabilised systolic heart failure.

Titrate ACE inhibitors and beta blockers carefully and slowly to the highest dose tolerated for proven survival benefits.

Look for, and avoid, drugs that may exacerbate heart failure.

Ensure patient understanding of heart failure and treatment goals to maximise compliance and outcomes.

Strategies

PPR 28 with prescribing feedback to 18,987 GPs

PPR 28
to 16,144 pharmacists, 3835 other medical specialists, 933 GP registrars

NPS News 36
to 55,000 GPs, specialists, pharmacists, other health professionals, students

Case study 34
1100 health professionals participated

Case study PH10
183 pharmacists participated

Educational visits
1070 educational visits to GPs; continuing

Divisional case study group discussions
560 health professionals participated; continuing
Echocardiography module:
610 health professionals participated; continuing

Mind the gaps: how much do we really know about new drugs?

Commenced December 2004

Key messages

Review evidence to establish the place in therapy of a new drug and to establish if a new drug is better.

Discuss issues in choosing new drugs with the patient.

Consider 'unknowns' about new drugs and what to watch for.

Strategies

NPS News 37
to 55,000 GPs, specialists, pharmacists, other health professionals, students

Analgesics – a focus on headache management

Commenced February 2005

Key messages

Consider differential diagnosis including rebound headache.

Use simple analgesics first, using combinations of other analgesics only after simple analgesics fail.

Use prophylaxis for chronic headache where appropriate.

Strategies

NPS News 38
to 55,000 GPs, specialists, pharmacists, other health professionals, students

Case study 35
1284 GPs, 253 pharmacists, 14 other health professionals participated

Reducing risk in type 2 diabetes

Commenced April 2005

Key messages

Encourage intensive lifestyle change to slow progression to diabetes and prevent complications.

Assess and manage overall cardiovascular risk early.

Metformin remains the drug of choice in type 2 diabetes, especially in overweight people – consider glitazones only when a combination of metformin and a sulfonylurea is not suitable or fails to maintain glycaemic control.

Consider insulin early when blood glucose control fails with maximal oral therapy.

Strategies

PPR 29 with prescribing feedback to 18,379 GPs

PPR 29 to 16,440 pharmacists, 3584 other medical specialists, 846 GP registrars

NPS News 39 to 55,000 GPs, specialists, pharmacists, other health professionals, students

Case study 36
1563 health professionals participated

Clinical audit
1735 GPs participated to date

Self-audit
1110 pharmacists and pre-registration pharmacists participated

Educational visits
373 educational visits to GPs; continuing

Divisional case study group discussions
162 health professionals participated; continuing

Antibiotics in primary care

Commenced June 2005

Key messages

Prescribers have become more judicious with antibiotics – has your antibiotic prescribing changed for upper respiratory tract infections?

Use resources such as symptomatic management pads and patient information sheets to help reinforce appropriate prescribing decisions.

Treat confirmed non-severe, community-acquired pneumonia using amoxicillin plus either roxithromycin or doxycycline.

Choose first-line antibiotics (trimethoprim, cephalexin, amoxicillin+clavulanate, or nitrofurantoin) for the necessary duration in urinary tract infection.

Consumer campaign *common colds need common sense* promoted to health professionals.

Strategies

PPR 30 with prescribing feedback to 18,344 GPs

PPR 29 to 19,725 pharmacists, 3584 other medical specialists, 848 GP registrars

NPS News 40 to 55,000 GPs, specialists, pharmacists, other health professionals, students

Case study 37
1354 health professionals participated

Clinical audit: Urinary tract infections
1661 GPs participated to date

CAPTION Project
37 hospitals participating

National co-ordination and collaboration

One of our key roles is to co-ordinate the delivery of QUM programs across Australia. We do this through partnerships with divisions of general practice and in collaboration with other key stakeholders.

Divisions of general practice

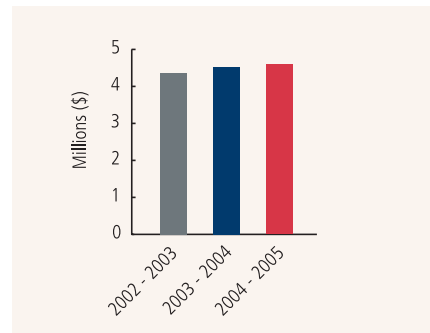
Close alliances have been formed with 116 divisions of general practice, representing 97% of divisions in Australia. NPS provides each division with funding to deliver programs locally, an essential element in ensuring programs are relevant to, and owned by, GPs.

NPS facilitators (usually pharmacists or nurses) are employed by divisions to implement programs. We provide substantial training, skills development, day-to-day program support and quality assurance for the facilitators to ensure that they are effective. We also ensure that our programs work effectively with other divisional QUM programs, such as the Medication Management Review Facilitator Scheme.

Ongoing feedback between NPS and divisions is critical to the best results from each program. This year we conducted a detailed review of divisions' operations to identify the strengths and weaknesses of different models of program

delivery, and the factors that enhance or inhibit delivery. This information is being used to help divisions develop and implement best practice models of program delivery.

All contracted divisions also received the first in a series of reports designed to show the impact of local interventions on prescribing rates. The unique reports compared each division's GP prescribing rate of the antibiotics targeted in the NPS antibiotics program with national GP prescribing rates between 1998 and 2003. The reports were well received; future reports will cover NPS therapeutic topics implemented over the past five years.



Contract payments to divisions of general practice to support local programs

Other stakeholders

This year we worked in close collaboration with the National Institute for Clinical Studies (NICS) and the National Heart Foundation of Australia (NHF) on the program, 'Improving outcomes for heart failure patients'. This collaboration ensured consistency in messages and maximised reach of the program.

We continue to work closely with other specialist medical bodies, disease-based foundations (e.g. Diabetes Australia), and guideline groups (e.g. Therapeutic Guidelines Ltd, Australian Medicines Handbook Pty Ltd) to ensure a nationally consistent and co-ordinated approach to QUM programs and messages.

We also had opportunities to collaborate with overseas organisations during the year. We met with delegations from China and Thailand, as well as the UK House of Commons Select Committee on Health during their visit to Australia to investigate influences on prescribing.

Upskilling our QUM workforce

Provision of professional development and skills training opportunities to the QUM workforce remains a priority for NPS, as does education for doctors, pharmacists and nurses from undergraduate level throughout their professional lives.

QUM workforce

NPS facilitators employed in divisions of general practice are provided with training and support through skills training workshops, therapeutic briefings, an annual forum and divisional visits from NPS support staff.

A generic QUM training module developed on behalf of PHARM is being used by accredited pharmacists, pharmaceutical companies, NPS facilitators and staff and consumer representatives. Further modules are to be developed for use by people working in the QUM environment.

Specific QUM training has been developed and provided for consumer peer educators (see page 11).

As part of a project trialling a model for provision of QUM and therapeutic information to nurses and Aboriginal health workers in remote areas of the Northern Territory, pharmacists working with the Section 100 scheme were trained in QUM principles, facilitation skills and the therapeutic management of hypertension.

Curriculum development

As part of our ongoing commitment to lifelong learning from undergraduate level through to continuing professional development, we work with universities and other organisations to offer both undergraduate and postgraduate curricula to students of medicine, pharmacy and nursing.

The web-based prescribing curriculum for medical students, developed by NPS and the Australian Society of Clinical and Experimental Pharmacologists and Toxicologists, is being used by most Australian medical schools. We will be evaluating how this influences later prescribing practice as these graduates enter the workforce. Future work will include making some of the curriculum available on PDAs to be used as a bedside teaching resource.

A web-enabled interactive curriculum for postgraduate medical students has been developed in conjunction with the Confederation of Postgraduate Medical Education Councils and State-based Postgraduate Medical Education Councils. We are now working on implementing this within the hospital setting.

Pharmacy schools in Australian universities were surveyed this year about their use of NPS and other QUM resources. According to feedback received from eight schools (66%), *NPS News*, *NPS RADAR* and *Australian Prescriber* are the most recognised NPS resources used with

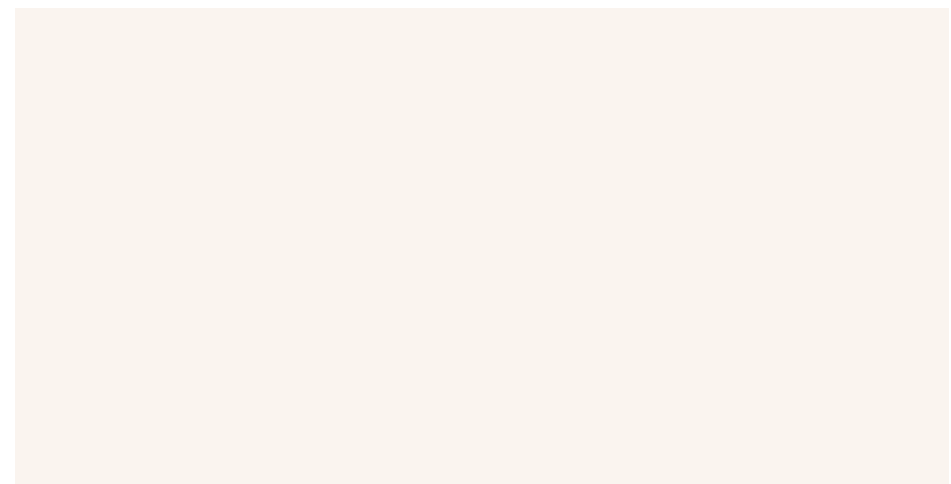
undergraduate students, and QUM is integrated throughout course structures rather than taught as a separate subject. Information encouraging the use of QUM resources with undergraduate pharmacy students was sent to all pharmacy schools with the results of the survey.

A recent needs analysis identified the need for QUM teaching and resources within nurse education. In response, specific QUM resources for student nurses will be developed and a nursing QUM curriculum introduced into nursing education. Work is ongoing to assist nursing schools to integrate QUM within undergraduate curricula.



Graham Lock and Jan Dolan-Brown, peer educators with COTA National Seniors Partnership NSW, attend a QUM train-the-trainer program for consumer peer educators.

A revised evaluation framework:
adapting to changing content,
complexity and scope



A revised evaluation framework

Since our original evaluation plan was written in 2000, the complexity and scope of the organisation has grown considerably. Evaluation between then and now focussed very much on reporting processes, for example reach of activities, but now we have enough data to evaluate at a more complex, interpretative level. Hypotheses can be proffered about different uptake rates of our activities per topic, across activities and by differing regions (e.g. rural versus metropolitan, State versus State etc), both for nationally implemented activities and those implemented locally through divisions of general practice.

An evaluation framework to take us through the next four years has been designed, taking into account the factors critical to our operation. First, we operate at multiple levels with a wide range of program objectives, activities and target groups, requiring a series of separate evaluations of discrete programs. In addition, we are committed to one overarching goal: improving the health of all Australians through QUM. Last, we recognise that our stakeholders have different concerns and interests depending on whether the evaluation is focussed at the program or organisation level, and evaluation design must be sensitive and responsive to their needs.

This more complex framework aims to apply rigorous evaluation methods to NPS programs to support our development and accountability requirements and, ultimately, to sustain the provision of a national QUM program. It includes evaluation for each program area as well as at

an organisation level. Also, over the next four years we propose to measure the impact of NPS programs not only on changes in drug use but also on health.

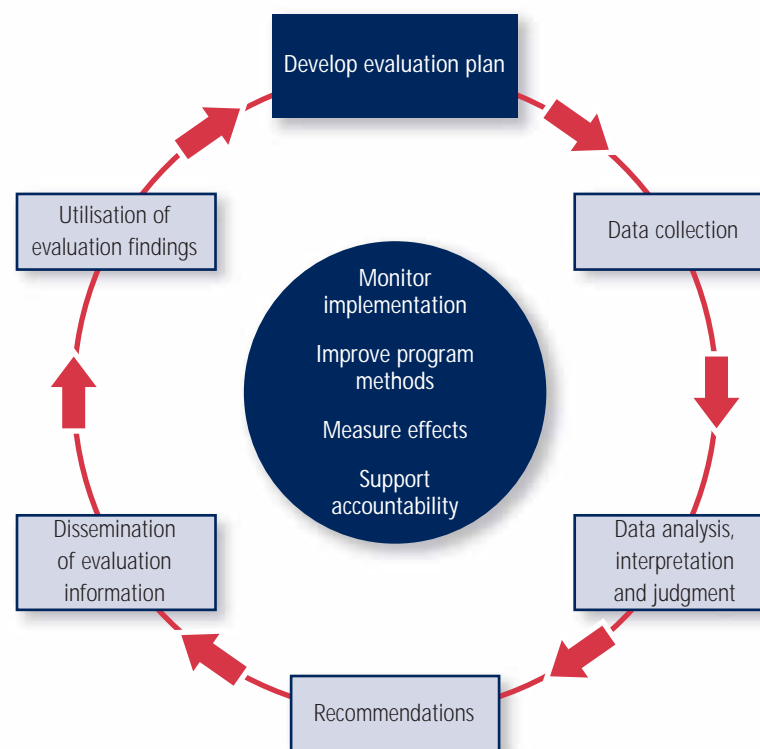
The evaluation approach is broad ranging and comprehensive, using both qualitative and quantitative data as necessary. Process or formative evaluation is incorporated to ask questions about how programs are operating, and to identify whether programs are being implemented as planned and within anticipated time frames. The process, scope and reach of programs are measured using classic process indicators such as distribution of materials and participation in education. Perceived value and quality of intervention resources and services are also measured. Impact or summative evaluation around specific objectives and goals is incorporated to establish whether strategies achieve what was intended in terms of changes in awareness, skills and behaviour among target groups.

Primary evaluation measures

- Awareness
- Scope, usage and reach
- Perceived value and quality
- Changes in attitudes, skills and knowledge
- Changes in behaviour
- Changes in health and economic outcomes
- Enablers and barriers to implementation
- Sustainability

The revised evaluation framework was developed in consultation with stakeholders, NPS staff, board, members of working groups and Australian Government representatives, and with the support of an expert advisory group and external reviewers.

The NPS evaluation cycle



Our board

Chairman

Dr Stephen Phillips

Stephen has been a GP on the Sunshine Coast in Queensland for more than 20 years. He maintains an interest in best practice health care, the power of effective therapeutic and professional partnerships in achieving optimal treatment outcomes, and the role and capacity of the general practitioner in promoting these. He is passionate about the pursuit of quality use of medicines and has had more than a decade of involvement in medicines policy activities. He has been Chairman of NPS since its inception in 1998, a member of the Australian Pharmaceutical Advisory Council since 1995, a member of the Pharmaceutical Benefits Advisory Committee since 1999, and a former member of the Therapeutic Goods Committee. He sits on the Australian Health Information Council's Electronic Decision Support Steering Committee, the Steering Committee for the Population Health and Use of Medicines Unit in the Centre for Therapeutics at St Vincent's Hospital in Sydney, and is a member of the Australian Palliative Care Medications Working Party. He is also a member of Australia's National Medicines Policy Chairs' Group, The Royal Australasian College of Physicians' Pharmaceutical Policy Working Party and a past Executive Council member of the Australian Medical Association.

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

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 the management of 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 the pharmaceutical area for local and overseas organisations and is active in the Australian biotechnology industry. 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 health care 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. He chairs the Therapeutics Advisory Committee of the Royal Australasian College of Physicians, and is a member of the Australian Pharmaceutical Advisory Council.

Ms Janette Donovan

Jan is the Consumer Class Director on the board. She works with consumer organisations as a representative and advocate for consumers and is committed to furthering community access to information and education about medicines. Jan's background is in education in the secondary school system in the ACT and in public policy. She currently works as a consumer consultant in medicines education and training, health policy and research. She is the Consumers' Health Forum nominee to the Medicines Evaluation Committee of the Therapeutic Goods Administration and is a member of the Research Advisory Board of the Australian Primary Health Care Research Institute at the Australian National University. She represented NPS on the Medicconnect Development Group, and COTA National Seniors on the Australian Pharmaceutical Advisory Council.
(Alternative Director: Ms Diane Walsh)

Ms Susan Hunt

Susan is well acquainted with quality use of medicines, having been involved in the first *Be Wise with Medicines* campaigns in the early 1990s. Susan has been a member of the Pharmaceutical Health and Rational use of Medicines Committee, and a member of the Australian Pharmaceutical Advisory Council. As a clinical nurse consultant and educator, she specialised 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 Australian Government Department of Health and Ageing. He has an extensive background in health care financing policy, having worked on policy associated with the Medicare Benefits program, the Pharmaceutical Benefits Scheme and the National Medicines Policy. He has a keen interest in the enhancement of the collaborative approach to health care delivery between prescribers, pharmacists and consumers. (Alternative Director: Mr Michael Bolt, Department of Health and Ageing)

Dr Shiong Kok Tan

Shiong, a GP from Perth, is committed to improving the quality of the Australian health care system, and strengthening the central role of general practice in developing a resilient primary health care system. He chaired The Royal Australian College of General Practitioners' Quality Care National Standing Committee and is clinical adviser to the Office of Safety and Quality within the Department of Health, Western Australia.



Dr Stephen Phillips



Dr Richard Abbott



Ms Jenny Bergin



Mr Paul Bolt



Dr Roger Boyd



Associate Professor
Shane Carney



Ms Janette Donovan



Ms Susan Hunt



Mr Allan Rennie



Dr Shiong Kok Tan

Our people

5 years' service: NPS facilitators

NSW

Cheryl Haggardly (Hunter Rural DGP), David Kennedy (Riverina DGP), Jacqualine Vajda (Central Coast DGP), Linden Harper (St George DGP), Margaret Jordan (Illawarra DGP), Marilyn Taylor (Hunter Urban DGP) Robyn Chester (Eastern Sydney DGP)

Queensland

Cathy Prest (Brisbane North DGP), Clare Fowler (Brisbane South DGP), Linda Fitzgerald (GP Connections), Merrilyn Amiet (Mackay DGP), Anne Winkle (Brisbane North DGP)

SA (DATIS)

Debra Rowett, Jane Curtis, Jody Braddon, Joy Gailer, Louise Quinn, Tania Colarco, Tricia Warwick

Tasmania

Mary Collins (The Southern Tasmanian DGP), Patrick O'Sullivan (NW Tasmanian DGP)

Victoria

Heather Pym (Melbourne DGP), Kerry Parry (Murray-Plains DGP), Mary Levidiotis (NE Valley & Northern DGP), Sue Murphy (Goulburn Valley DGP)

WA

Deirdre Criddle (Osborne DGP), Dianne Bailey (Perth and Hills DGP), Stuart Gibb (Canning DGP)

NPS facilitators

Our field force of NPS facilitators (150) is an integral part of NPS; their links with health professionals in their own communities is one of the strengths of our education program. Facilitators come from a range of backgrounds including nursing, medicine and pharmacy.

We support our facilitators with a planned program of teleconferences, face to face training that includes an orientation program and training in group skills techniques and educational visiting, an annual forum, on-site visits and regular communication from staff in our Sydney offices.

A core of facilitators has been with us for more than five years; some since we started in 1998. We celebrated their milestone with us at this year's Facilitators' Forum.

Staff

In its seven years of operation NPS has attracted a strong team of qualified and committed people to manage the work of the office in Sydney (75 staff) and Australian Prescriber (4 staff) in Canberra. Staff come from a range of backgrounds including medicine, pharmacy, science, health promotion, public health, evaluation, public affairs, education, communication, administration and finance.

In keeping with the growth of the organisation, a human resources manager was appointed in September 2004. Recruitment processes have been streamlined, and terms and conditions of employment reviewed to ensure that NPS remains competitive in the marketplace and continues to attract and retain high calibre staff. Salaries are reviewed annually based on performance and benchmarked against current industry standards. Performance reviews include opportunities to identify the professional development needs of individual staff members. All staff are also encouraged to attend in-house training sessions held at regular intervals during the year; this year's topics included understanding budgets and financial reporting, negotiation skills and using the corporate style manual.

Regular journal clubs are held to discuss relevant scientific and clinical literature, and informal lunchtime updates provide staff with opportunities to share information from conferences or related to program or research areas.

The health and safety of staff is a high priority. This year, the occupational health and safety committee conducted premises inspections and workstation assessments, as well as training staff in procedures for handling telephone bomb threats and emergency evacuations.

This year we also conducted focus groups with staff to ascertain the level of satisfaction with internal communication processes. Overall results were positive but some areas have been earmarked for improvement and will be focussed on in the coming 12 months.

Working groups

Members of our working groups provide valuable advice on intervention design, implementation and evaluation. They come from a range of disciplines and backgrounds, and many of them have played key roles in the evolution of QUM in Australia.

We would like to especially acknowledge the work of two working group members who were instrumental in establishing NPS and have tirelessly guided and supported our work since we began in 1998. As Associate Professor Andrea Mant and Emeritus Professor Tony Smith retire this year, we wish them both well for the future.



Associate Professor
Andrea Mant
Chair
Prescribing Intervention
Working Group
1998–2005

Andrea has significantly influenced many aspects of our development. Her vision has helped us steer the sometimes difficult course from program conceptualisation and development through to implementation. Her knowledge and understanding of social marketing and the complexities of prescribing coupled with the insights gained from 25 years clinical experience as a GP have ensured that our programs are built on a sound theoretical base as well as having practical application. Her enthusiasm and commitment to QUM and the work of NPS have kept the vision alive as both the programs and the organisation have grown and matured.

In addition to leading the Prescribing Intervention Working Group, Andrea has trained most of the NPS Facilitators through her course 'Best Practice in Educational Visiting', thus directly reaching 11,447 GPs in 33,000 educational visits.

Andrea, who is Associate Professor, School of Public Health and Community Medicine, University of New South Wales, is still very much a part of the QUM world as the Area Adviser, Quality Use of Medicines, for the South Eastern Sydney and Illawarra Area Health Service. She also chairs the Board of Therapeutic Guidelines Ltd, is a member of the Pharmaceutical Benefits Advisory Committee (PBAC), and chairs the Drug Utilisation Sub-Committee of the PBAC.



Emeritus Professor
Tony Smith
Chair
Curriculum and Training
Working Group
1998–2005

Tony Smith is known affectionately by some as the 'father of QUM'. A leader in QUM for many years, Tony chaired the original advisory group that led to the formation of NPS and was an inaugural NPS Director between 1998 and 2001. He chaired the Curriculum and Training Working Group from its inception, and has been the guiding force behind developing and implementing the web based prescribing curriculum now being used by most medical schools in Australia, and the ongoing development of other curricula for nursing, pharmacy and postgraduate medicine.

Tony's vision for QUM has been kept alive by his infectious passion and enthusiasm and his great skill in being able to harness the energy of others to become as equally involved. NPS staff who have worked closely with him over the years have described him as a 'great mentor and guide' and 'a selfless advocate for others'.

Tony has been involved in many aspects of QUM, including chairing the Pharmaceutical Health And Rational use of Medicines (PHARM) Committee, and acting as a consultant for World Health Organisation and AusAID in many countries in the Asia-Pacific Region on matters to do with the rational use of medicines. He also chairs the Complementary Medicines Evaluation Committee.

Working groups

Working groups are responsible for directing specific projects. Groups meet regularly and participate in planning days. Working group members are invited to participate based on their individual expertise not necessarily as representatives of their organisations.

Australian Prescriber Editorial Executive Committee

Professor John Tiller (Chair)
School of Psychiatry
University of Melbourne

Professor Robert Moulds (Chair) (resigned)
Fiji School of Medicine
Suva

Dr John Dowden
Editor Australian Prescriber
NPS

Dr Shanthi Kanagarajah
Geriatrician Brisbane

Dr Paul Kubler
Department of Clinical Pharmacology
Royal Brisbane & Women's Hospital

Dr Julia Lowe
Hunter Area Diabetes Service
Royal Newcastle Hospital

Professor John Marley
Pro Vice-Chancellor
Faculty of Health
University of Newcastle

Dr Lynn Weekes
Chief Executive Officer
NPS

Communications Working Group

Ms Jan Donovan (Chair)
Director NPS

Dr James Best
General Practitioner Sydney

A/Professor Nick Buckley
Clinical Pharmacology and Toxicology
The Canberra Hospital

Dr John Dowden
Editor Australian Prescriber
NPS

Ms Sharene Jackson
Manager
Publishing
NPS

Prof John Murtagh (resigned)
Department General Practice
Monash University

Ms Susan Parker
Pfizer Global Pharmaceuticals

Mr Craig Patterson
Manager
New Drugs Program
NPS

Ms Simone Rossi
Australian Medicines Handbook

Community QUM Working Group

Ms Jan Donovan (Interim Chair)
Director NPS

Ms Hannah Baird
Manager
Community Quality Use of Medicines Program
NPS

Mr Michael Bolt
Australian Government
Department of Health and Ageing

Ms Amanda Bray (resigned)
Manager
Community Quality Use of Medicines Program
NPS

Mr Abd Elmasih-Malak
Federation of Ethnic Communities' Council of Australia
(FECCA)
Alternate: Mr Conrad Gershevitch

Dr Mukesh Haikerwal
Australian Medical Association

Mr Matthew Hunt
Consumer representative
Cancer Council
Western Australia

Ms Judith Mackson
Prescribing Intervention Working Group representative
Manager
Education and Quality Assurance Program
NPS

Ms Alison Marcus
Consumer representative
Associate member CHF
South Australia

Mr John Morgan
Pharmacist
Victoria

Dr Lynne Parkinson
Centre for Research and Education in Ageing
University of Newcastle
PHARM Committee representative

Ms Sue Pluck (resigned)
Consumer representative
Consumer Representatives Network
South Australia

Dr Susan Quine
Associate Professor in Preventive and Social Medicine
Faculty of Medicine
University of Sydney

Dr Janette Randall
General Practitioner Queensland

Ms Sheila Rimmer
Consumer representative
COTA National Seniors
New South Wales

Ms Moya Sandow
Consumer representative
Health Consumers of Rural and Remote Australia
Queensland

Mr Tony Wade (resigned)
PHARM Committee representative

Ms Christine Walker
Consumer representative
Chronic Illness Alliance
Victoria

Ms Diane Walsh
Consumer representative
Consumers Reference Group
Northern Territory

Curriculum and Training Working Group

Professor Gillian Shenfield (Chair)
Department of Clinical Pharmacology
Royal North Shore Hospital

Emeritus Professor Tony Smith (Chair) (resigned)
Department of Clinical Pharmacology
University of Newcastle

A/Professor Nick Buckley
Clinical Pharmacology and Toxicology
The Canberra Hospital

Ms Rebecca Coghlan
Consumers' Health Forum of Australia

Dr Eleanor Flynn
Postgraduate Medical Education
University of Melbourne

Ms Barbara Horner
Centre for Research into Aged Care Services
Curtin University of Technology

Ms Susan Hunt
Director NPS

Dr Dennis Pashen
Rural and Remote Medicine
Australian College of Rural and Remote Medicine

Professor Gregory Peterson
(replacing Prof Tett while on sabbatical)
Pharmacy
University of Tasmania

Dr Sepehr Shakib (resigned)
Clinical Pharmacologist
Royal Adelaide Hospital

Professor Sue Tett
(on sabbatical from May 2004)
Pharmacy
University of Queensland

Nurse Advisory Group (reports to Curriculum and Training Working Group)

Ms Barbara Horner (Chair)
NPS Curriculum and Training Working Group

Dr Jill Beattie
PHARM Committee

Dr Patricia Dunning
Royal College of Nursing Australia

Professor Ruth Endacott
Australian Council of Deans of Nursing

Ms Victoria Gilmore
Australian Nursing Federation

Ms Susan Hunt
Director NPS

Ms Margaret Watson
Australian Nursing Council

Evaluation Working Group

Dr Tim Driscoll (Chair)
Occupational Health and Public Health
Epidemiology and Research

Dr Roger Boyd
Director NPS

Mr Neil Day
Centre for Program Evaluation
Melbourne University

Ms Jan Donovan
Director NPS

Ms Judith Mackson
Manager
Education and Quality Assurance Program
NPS

Dr Stephen Phillips
Director NPS

A/Professor Jan Ritchie
School of Public Health and Community Medicine
University of New South Wales

Dr Elizabeth Roughead
School of Pharmacy and Medical Sciences
University of South Australia

A/Professor Glenn Salkeld
School of Public Health
University of Sydney

Professor Stephanie Short
School of Public Health
Griffith University

Dr Lynn Weekes
Chief Executive Officer
NPS

Dr Sonia Wutzke
Manager
Program Evaluation
NPS

Medicines Industry Liaison Group

Mr Paul Bolt (Chair)
Director NPS

Mr Jonathan Breach
Australian Self-Medication Industry

Ms Mary Emanuel
Australian Self-Medication Industry

Ms Di Ford
Generic Medicines Industry Association

Mr David Grainger
Eli Lilly

Ms Deborah Monk
Medicines Australia

Mr Charlie O'Sullivan
Mayne

Ms Susan Parker
Pfizer Global Pharmaceuticals

Dr Greg Pearce
Alphapharm Pty Ltd

Ms Robyn Ronai
Alphapharm Pty Ltd

Ms Jude Tasker
Pfizer Global Pharmaceuticals

New Drugs Working Group (RADAR)

Dr Peter Roush (Chair)
General Practitioner Brisbane

Ms Melanie Cantwell
Consumers' Health Forum of Australia

Dr Michael Crampton
General Practitioner Sydney

Dr John Dowden
Editor Australian Prescriber
NPS

Ms Mary Hemming
Therapeutic Guidelines Ltd

Ms Karen Kaye
NSW Therapeutic Advisory Group

Dr Michael Kennedy
Internal Medicine Society of Australia
and New Zealand

Ms Andrea Kunca
Australian Government
Department of Health and Ageing

Ms Deborah Monk
Medicines Australia

Ms Simone Rossi
Australian Medicines Handbook

Professor Gillian Shenfield
Department of Clinical Pharmacology
Royal North Shore Hospital

Dr Sepehr Shakib
Department of Clinical Pharmacology
Royal Adelaide Hospital

Mr Graeme Vernon
Austin Health
NPS TAIS

Prescribing Intervention Working Group

A/Professor Shane Carney (Interim chair)
Director NPS

A/Professor Andrea Mant (Chair) (resigned)
South Eastern Sydney
and Illawarra Area Health Service

Ms Meredith Freeman
Australian Government
Department of Veterans' Affairs

Dr David Gleave
General Practitioner Perth

Ms Karalyn Huxhagen
Community Pharmacist Mackay

Mr Frank May
Drug and Therapeutics Information Service (DATIS)

Ms Nancy Pierce
Consumer Perth

Ms Jennifer Roberts
Medicare Australia

Dr Jane Robertson
Discipline of Clinical Pharmacology
University of Newcastle

Ms Maxine Robinson
Drug Utilisation Sub-Committee of PBAC
Australian Government
Department of Health and Ageing

Dr Peter Roush (resigned)
General Practitioner Brisbane

Professor Gillian Shenfield (resigned)
Department of Clinical Pharmacology
Royal North Shore Hospital

Dr Guan Yeo
Clinical Education Consultant
General Practitioner Berowra

Pharmacy Sub-Group

Dr Jane Robertson (Chair)
Discipline of Clinical Pharmacology
University of Newcastle

Ms Jenny Bergin
Director NPS

Mr Jason Campbell
Community Pharmacist Glenbrook

Professor Andrew Gilbert
School of Pharmacy and Medical Sciences
University of South Australia

Ms Karalyn Huxhagen
Community Pharmacist Mackay

Ms Michelle Jenkins
Pharmacist John Hunter Hospital

Mr Frank May
Drug and Therapeutics Information Service (DATIS)

Mr Robert Peck
Australian Government
Department of Veterans' Affairs

Ms Nancy Pierce
Consumer Perth

Dr Guan Yeo
Clinical Education Consultant
General Practitioner Berowra

Research & Development Working Group

Professor Wayne Hall (Chair)
Institute for Molecular Bioscience
University of Queensland

Professor Don Campbell
Monash Institute of Health Services Research

A/Professor Shane Carney
Director NPS

Dr Timothy Chen
Faculty of Pharmacy
University of Sydney

Prof Ric Day
Department of Physiology and Pharmacology
University of New South Wales

Ms Kathy Mott
Consumer

Dr Abilio Neto
Manager
Research and Development
NPS

Professor Simon Stewart
Cardiovascular Nursing
University of South Australia

Professor Jeannette Ward (resigned)
Division of Population Health
South Western Sydney Area Health Services

Prof Nick Zwar
School of Public Health and Community Medicine
University of New South Wales

Presentations and publications

By NPS board and staff 2004 – 2005, including presentations at conferences and workshops, and posters

Health Informatics Conference
July 2004, Brisbane

Integration of a knowledge resource with general practice commercial prescribing systems: XML interface for a quality use of medicines intervention
B Lewis, M Fitzgerald, S Kerr

Modelling the clinical processes of prescribing – information, clinical workflow and processes
I Morrison, B Lewis, T Liaw, E Deveny

Modelling the clinical processes of prescribing – the clinical practice dimension
T Liaw, E Deveny, I Morrison, B Lewis

ADEA (Vic) Sate Conference
24 July 2004, Ballarat

Quality use of medicines and possible implications for diabetes educators
S Hunt

The Future of GP Promotion

July 2004, Sydney
National Prescribing Service Ltd: trusted ally, competitor or both?
L Weekes

IUPHAR 8th International Congress on Clinical Pharmacology and Therapeutics

1–6 August 2004, Brisbane
On-line and computer-based material in teaching pharmacology: NPS prescribing curriculum for medical students
T Tasioulas

A prescribing curriculum for Australian medical students
A Smith, S Hill, T Tasioulas, N Cockayne

Training in social marketing for academic detailers in Australia: building a national field force to provide independent, evidence-based information to modify professional behaviour, particularly prescribing
D Rowett, A Mant, F May, P Harris, T Tasioulas

Development of a quality use of medicines training module
N Cockayne, T Tasioulas

Systematic implementation of quality use of medicines interventions: a report from the field
L Weekes

Community-acquired pneumonia: towards improving outcomes nationally (CAPTION project)
K Easton, J Mackson, L Stanton, G Peterson, D Maxwell, K Kaye, K McIntosh, N Jamshidi, S Kirska, W Dollman, P O'Connor, L Pulver, M Robertson

Antibiotic guidelines: how far have we come?
D Maxwell, K Kaye, J Brien, K Easton

Community-acquired pneumonia: ceftriaxone and penicillin – a global perspective.
D Maxwell, K Kaye, J Brien, K Easton

Understanding problems in drug use – heart failure management in primary care
J Mackson, A Mant, K Ng, F Horn, A Salmon

2nd Australasian Conference on Safety and Quality in Health Care

9–11 August 2004, Canberra
Optimising use and minimising risks associated with medicines: a national intervention program
K Easton, C Kelly, K Mulligan, J Mackson

Antibiotic guidelines: how far have we come?
D Maxwell, K Kaye, J Brien, K Easton

GPET

Utilising NPS materials within GP registrar training
13 August 2004, Sydney
C Kelly

International Conference on Pharmacoepidemiology
22–25 August 2004, Bordeaux
Medicines indicators in practice
L Weekes

Challenges in measuring improved appropriateness of oral hypoglycaemic and other drug use in type 2 diabetes in primary care
J Mackson, L McMartin, S O'Riordan, M Fitzgerald, K Easton, L Weekes

Future of the PBS

24 August 2004, Sydney
Ensuring and improving the quality use of PBS medicines
P Roush

International Pharmaceutical Federation Congress

4–9 September 2004, New Orleans, USA
An independent analysis of new drugs in Australia – *NPS RADAR*
G Vernon, C Patterson

Nurses – Know Your Medicines Conference

7–8 September 2004, Melbourne
Quality use of medicines policy – where are the nurses?
Medicine management in residential aged care – what is best practice?
Beyond the dosette box – medication management in the community
S Hunt

Ageing at Home Conference

16 September 2004, Melbourne
Quality use of medicines at home
S Hunt

Australian Divisions of General Practice Forum

23–26 September 2004, Adelaide
Developing an on-line new drugs publication – *NPS RADAR*
C Patterson, A Bhasale, E Kay, B O'Reilly

NPS local program delivery – what are the keys for success?

N Cockayne, S Wutzke, F Horn

Community QUM Program
A Bray

The NPS and divisions of general practice in partnership
A Salmon, C Bottomley, J Mackson

Australian Science Communicators/Australian Medical Writers' Association Conference

26–29 September 2004, Gold Coast
Communicating independent information about new drugs to health professionals – *NPS RADAR*
E Kay, A Bhasale, N Cockayne, T Mrena, B O'Reilly, C Patterson

Australian Nurse Teachers Society

29 September 2004
QUM and nurse education
T Tasioulas, P Gallagher

Australasian Evaluation Society 2004 International Conference

13–15 October 2004, Adelaide
Evaluation methods for a multi-strategic national consumer education program
N Cockayne, L Kehoe, A Bray, S Wutzke

Pharmacy Australia Congress

15–17 October 2004, Adelaide
Optimising use of proton pump inhibitors: case study discussion with HMR focus
G Higgins

9th National Prevocational Medical Education Conference

24–26 October 2004, Melbourne
A national prescribing curriculum for Australian interns
T Tasioulas

**SHPA (Society of Hospital Pharmacists of Australia)
4th Biennial Clinical Conference**

29–31 October 2004, Sydney
Self-audit of OTC-NSAIDs in community pharmacy: a training tool and a quality improvement activity
G Higgins, K Barry, C Abu, L Kenyon, J Mackson

Guideline International Network Meeting

October 2004, Wellington
Communication of evidence-based information to the wider community
L Weekes

**American Evaluation Association: Evaluation 2004
Fundamental Issues**

2–7 November 2004, Atlanta, Georgia
Evaluation of a national consumer-based program for quality use of medicines: a multi-faceted approach using program logic
L Kehoe, S Wutzke, A Bray, S Davis

**APSA (Australasian Pharmaceutical Science
Association) 2004 Conference – Towards Safer
Medicines**

4–7 December 2004, Melbourne
QUM: what direction are pharmacy schools taking?
G Higgins, P Gallagher, T Tasioulas, J Mackson

**Media, Communications and Cultural Studies
Association 2005 Conference**

5–7 January 2005, London, UK
Perception equals reality
F Hagon

**The Australian Society for Antimicrobials Conference
February 2005, Lorne, Australia**

Management of Community-Acquired Pneumonia in
Emergency Departments – CAPTION
K McIntosh, N Jamshidi, D Maxwell, K Kaye, S Kirsa,
K Easton, L Stanton, G Peterson, W Dollman,
P O'Connor, L Pulver, M Robertson

Australian Financial Review Health Congress
22–24 February 2005, Sydney
The PBS, QUM and *NPS RADAR*
S Phillips

ASMI Board of Management
NPS programs and opportunities for interaction
S Phillips

**Health Consumers of Rural and Remote Australia
(HCRRA) Annual General Meeting**
10 March 2005, Alice Springs
Rural Community QUM Program
H Baird

**Consumers' Health Forum of Australia
Consumers' Forum**
18 May 2005, Canberra
Community QUM Program
H Baird

**Federation of Ethnic Communities' Councils of
Australia Executive Meeting**
25 May 2005, Wollongong
Multicultural Quality Use of Medicines Program
J Davis

Thai National Health Security Office Study Tour
24 June 2005, Sydney
Community QUM Program
K Vaughan

**6th International Conference on Lifelong Learning in
Pharmacy**
June 26–29 2005, Canada
How collaboration fosters lifelong learning in
pharmacy
A Neto

Publications

Lewis B, Shephard J, Dartnell J, Harvey K. Modelling and encoding Therapeutic Guidelines: applying ICD-10-AM and EAN codes. *Health Information Management Journal*. 32 (2), 2004.

Weekes LM, Mackson JM, Fitzgerald M, Phillips SR. National Prescribing Service: Creating an implementation arm for national medicines policy. *Br J Clin Pharmacol* 2005;59(1):112–16.

Publications related to CAPTION project
Easton KL, Mackson JM, Stanton LA, Peterson GM, Maxwell DJ, et al. Community-acquired pneumonia: towards improving outcomes nationally (the 'CAPTION' project) [abstract]. *Clin Exp Pharmacol Physiol* 2004;31(Suppl1):A92.

Maxwell DJ, Easton KA. Community-acquired pneumonia [review]. *JPPR* 2004;34:211–16.

Maxwell DJ, Kaye KI. Quality time and ethics in quality assurance [letter to the editor]. *Med J Aust* 2004;181:459–61.

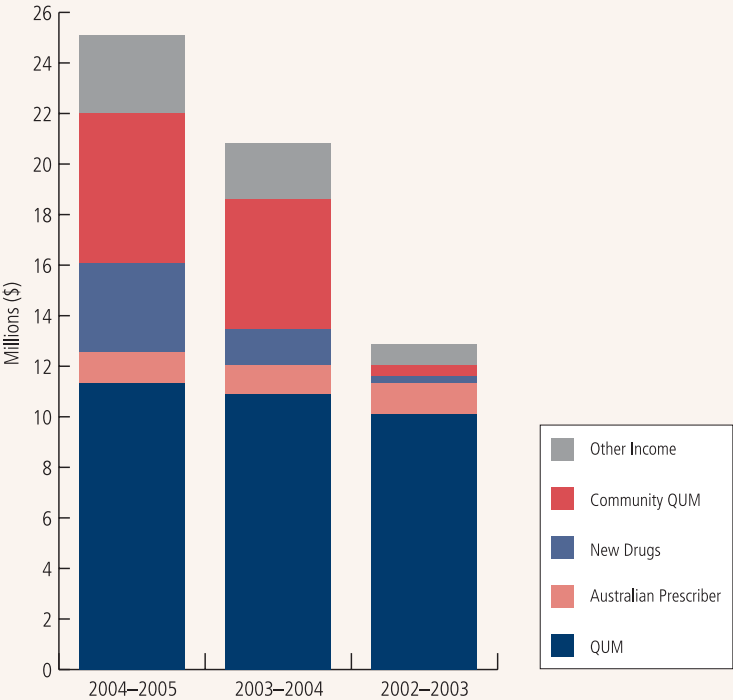
Maxwell DJ, Kaye KI, Brien JE, Easton KL. Community-acquired pneumonia: ceftriaxone and penicillin – a global perspective [Abstract]. *Clin Exp Pharmacol Physiol* 2004;31(Suppl1):A90.

McIntosh KA. CAPTION (Community-Acquired Pneumonia: towards improving outcomes nationally) project [letter to the editor]. *Fiji Med J* 2005.

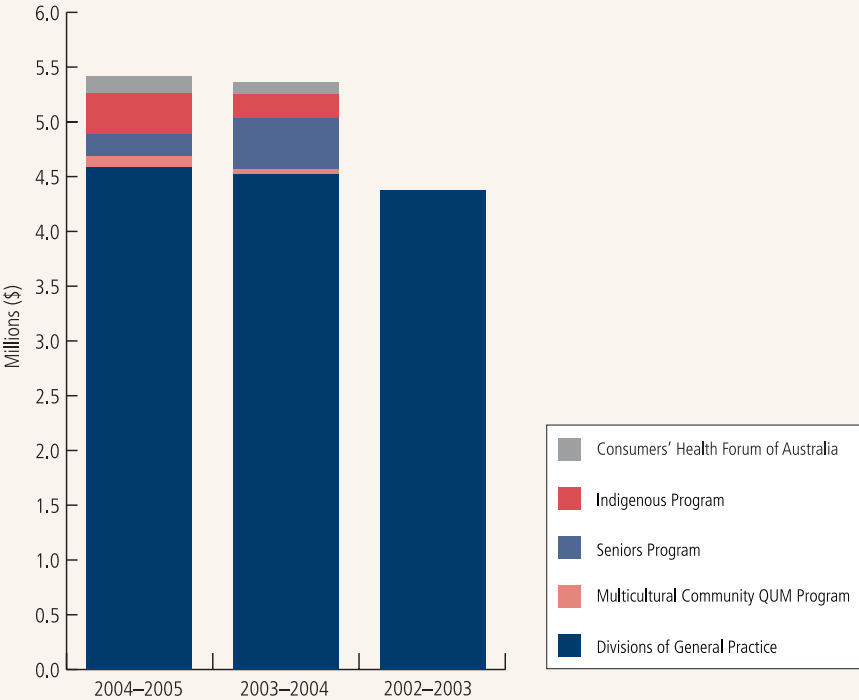
Pulver L. Community-acquired pneumonia: Towards improving outcomes nationally (the CAPTION project). *Australian Pharmacist* 2005.

Financial statements

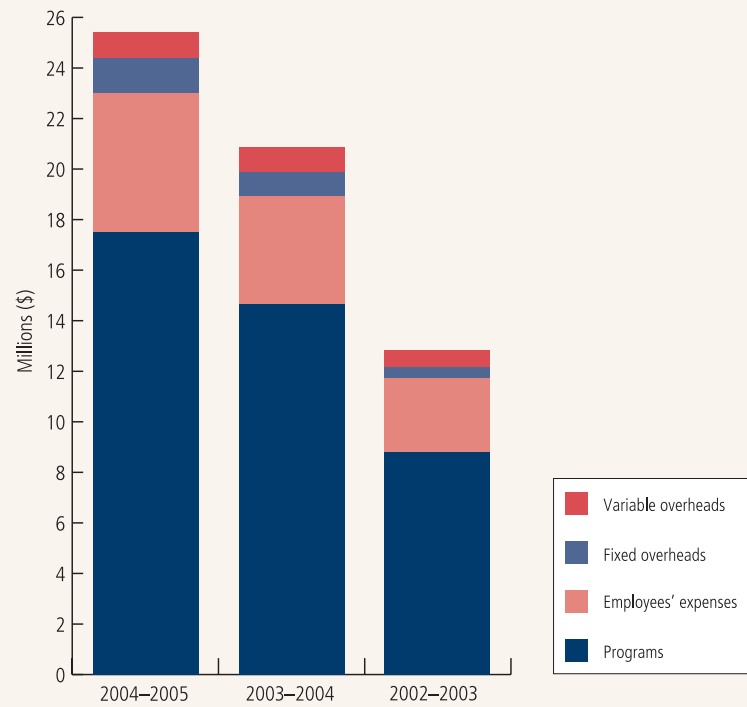
Revenue sources



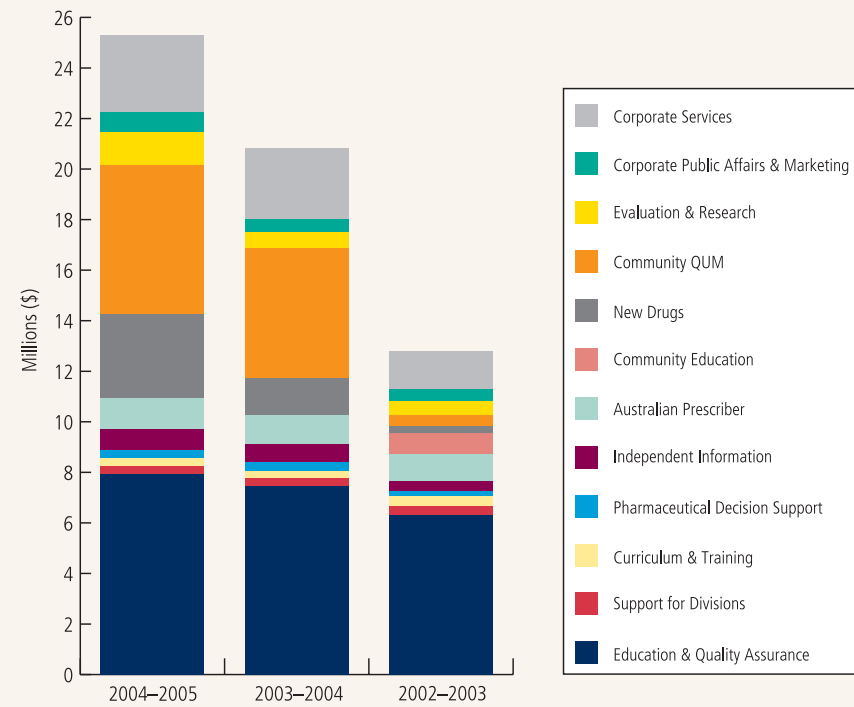
Expenditure: QUM contracts with health professionals and community organisations



Expenditure by categories



Expenditure by programs/services



Directors' report

Your directors present their report on the results of National Prescribing Service Limited (the Company) for the financial year ended 30 June 2005.

Directors

The directors in office at the date of the report are:	Richard Abbott
Stephen Phillips (alternate: Janette Randall)	Shane Carney
Janette Donovan (alternate: Diane Walsh)	Shiong Kok Tan (appointed 3 August 2004)
Paul Bolt	Jennifer Bergin (alternate: Jay Hooper)
Roger Boyd	Susan Hunt
	Allan Rennie (alternate: Michael Bolt)

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
Shiong Kok Tan	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		Nomination Committee	
	Number eligible to attend	Number of meetings attended	Number eligible to attend	Number of meetings attended	Number eligible to attend	Number of meetings attended
Stephen Phillips	6	5	6	6	-	-
Janette Donovan	6	5	-	-	4	4
Shiong Kok Tan	6	6	-	-	4	4
Paul Bolt	6	6	6	6	-	-
Roger Boyd	6	6	6	6	-	-
Richard Abbott	6	5	-	-	-	-
Shane Carney	6	5	-	-	4	4
Jennifer Bergin	6	6	-	-	-	-
Susan Hunt	6	5	-	-	-	-
Allan Rennie	6	5	-	-	-	-
Alternates						
Michael Bolt (Alternate: Allan Rennie)	1	1	-	-	-	-
Susan Pluck (Alternate: Janette Donovan) (resigned 21 January 2005)	1	1	-	-	-	-
Diane Walsh (Alternate: Janette Donovan)	-	-	-	-	-	-
Jay Hooper (Alternate: Jennifer Bergin)	-	-	-	-	-	-
Janette Randall (Alternate: Stephen Phillips)	1	1	-	-	-	-

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 (QUM) that will lead to better health for Australians.

Operating results

The net amount of the surplus for the period to 30 June 2005 was \$80,972.

Review of operations

The most significant impact on the Company's operations was the increase in funding revenue from the Australian Government Department of Health and Ageing (DH&A) that was committed towards an increase in the level of the Company's programs.

Significant changes in state of affairs

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

Future developments

Three of the Company's funding agreements with the Australian Government Department of Health and Ageing expired in June 2005: Core Quality Use of Medicines contract; the Australian Prescriber contract; and the Community Quality Use of Medicines contract. The Company has successfully renewed these contracts for a further four years. Apart from these 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 \$9,796 for all the directors.

Events subsequent to balance date

Since the end of the financial year, contracts have been entered into for the period 2005–2009 with Australian Government Department of Health and Ageing to allow for continuation of programs. No other matters or circumstances have arisen since the end of the financial year which have significant effect on the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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.

Auditor's independence declarations

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 38.

Signed in accordance with a resolution of directors.



Dr S Phillips
Chairman NPS



Dr R Boyd
Director & Chairman of the Audit Committee

Directors' declaration

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 2005 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 NPS



Dr R Boyd
Director & Chairman of the Audit Committee

Dated this Fourteenth day of September 2005

Auditor's independence declaration

Under Section 307C of the Corporation Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

- (i) no contraventions of auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to audit.

Grosvenor Schilliro

Chartered Accountants



Rodney Charles Grosvenor
Partner

Dated this Fifteenth day of September 2005 at Sydney

Financial statements

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$		2005 \$	2004 \$
Funding revenue	2	22,555,727	18,709,863	Other Income		
Program expenses		(15,730,374)	(13,371,518)	Interest	843,578	730,477
Gross surplus		<u>6,825,353</u>	<u>5,338,345</u>	Expense recovery	24,593	19,875
Other revenue	2	1,114,310	857,323	Other income	246,139	106,971
					<u>1,114,310</u>	<u>857,323</u>
Employee related costs		5,461,625	4,261,818	Program Expenses		
Overheads – fixed costs		1,366,952	957,921	Travel	618,384	620,989
Overheads – variable costs		1,030,114	958,379	Computers	198,824	76,976
				Consumables	130,608	6,733
Net operating profit before income tax	3	<u>80,972</u>	<u>17,550</u>	Communications	40,690	39,310
Income tax attributable to operating surplus		-	-	Distribution	875,439	744,070
Operating surplus after income tax		<u>80,972</u>	<u>17,550</u>	Printing and design	1,441,302	1,343,178
Retained surplus at beginning of financial year		<u>126,067</u>	<u>108,517</u>	Data processing	335,480	232,369
Retained surplus at end of financial year		<u>207,039</u>	<u>126,067</u>	Support services	378,208	174,292
				Public affairs management (including <i>common colds</i> campaign)	2,471,518	1,941,950
Funding Revenue				Contracts	7,576,180	7,086,684
DH&A funding		35,587,427	33,085,813	Grants	413,508	14,802
Less prepaid committed/uncommitted revenue		(13,031,700)	(14,375,950)	Fees	1,250,233	1,090,165
Expended grant funds		<u>22,555,727</u>	<u>18,709,863</u>		<u>15,730,374</u>	<u>13,371,518</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
Employee Related Costs		
Wages	4,858,860	3,806,345
On costs	602,765	455,473
	<u>5,461,625</u>	<u>4,261,818</u>
Overheads – Fixed Costs		
Premises	933,317	420,410
Administration	50,293	69,959
Insurances	132,012	111,315
Depreciation	251,330	356,237
	<u>1,366,952</u>	<u>957,921</u>
Overheads – Variable Costs		
Travel	193,501	183,825
Computers	211,138	133,766
Consumables	90,479	71,416
Communications	58,612	48,474
Distribution	22,271	25,900
Printing and design	96,120	113,157
Support services	85,072	76,361
Public affairs management	4,378	250
Entertainment	45,181	26,824
Financial charges and interest	9,527	10,305
Fees	184,037	115,239
Fringe Benefits Tax	13,318	12,018
Asset write-down expenses	16,480	140,844
	<u>1,030,114</u>	<u>958,379</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Current Assets			
Cash assets	6	15,515,335	15,824,731
Receivables	7	125,024	357,915
Guarantee security deposit	8	100,853	93,317
Other	9	157,667	47,007
Total current assets		<u>15,898,879</u>	<u>16,322,970</u>
Non-Current Assets			
Property, plant & equipment	10	342,471	542,431
Total non-current assets		<u>342,471</u>	<u>542,431</u>
Total assets		<u>16,241,350</u>	<u>16,865,401</u>
Current Liabilities			
Payables	11	2,691,593	2,171,988
Provisions	12	13,250,012	14,531,685
Total current liabilities		<u>15,941,605</u>	<u>16,703,673</u>
Non-Current Liabilities			
Provisions	12	92,706	35,661
Total non-current liabilities		<u>92,706</u>	<u>35,661</u>
Total liabilities		<u>16,034,311</u>	<u>16,739,334</u>
Net Assets		<u>207,039</u>	<u>126,067</u>
Fund Balance			
Retained surplus		126,067	108,517
Current surplus		80,972	17,550
Accumulated unappropriated surplus		<u>207,039</u>	<u>126,067</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Cash Flows from Operating Activities			
DH&A funding		35,587,427	33,085,813
Receipts from customers		246,139	106,971
Interest received		737,497	632,666
Payments to suppliers		(36,816,454)	(30,652,092)
Net cash flow from operating activities	13	<u>(245,391)</u>	<u>3,173,358</u>
Investing Activities			
Payments for plant, equipment and leasehold improvement		(64,005)	(767,157)
Proceeds from sale of fixed assets		-	-
Net cash flow from investing activities		<u>(64,005)</u>	<u>(767,157)</u>
Net Increase in Cash Held			
Add opening cash brought forward		15,824,731	13,418,530
Closing cash carried forward	1d	<u>15,515,335</u>	<u>15,824,731</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 2005

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

Note 1: Statement of significant accounting policies (continued)

(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 30 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 and 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 straight line method of calculation. Assets are depreciated from the date of acquisition. The office fit-out cost has been depreciated over the term of the original lease on the premises at Level 7, 418A Elizabeth Street, Surry Hills.

(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, annual leave and sick 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 outflows to be made for those benefits.

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

(k) Goods and Service 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.

(l) Impact of adoption of Australian Equivalents to International Financial Reporting Standards

The Company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for financial years commencing 1 January 2005. The adoption of AIFRS will be reflected in the company's financial statements for the period ended 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The company's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. The impact of the alternative treatments and elections under AASB1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards would not be material, and therefore no further disclosure is required at this point of time.

Notes to and forming part of the financial statements for the year ended 30 June 2005

	2005 \$	2004 \$	Note	2005 \$	2004 \$
Note 2: Revenue					
Operating Activities					
- DH&A funding	35,587,427	33,085,813			
Less prepaid committed/uncommitted revenue	(13,031,700)	(14,375,950)			
- Expended grant funds	<u>22,555,727</u>	<u>18,709,863</u>			
Non-Operating Activities					
- Interest	843,578	730,477			
- Expense recovery	24,593	19,875			
- Other income	246,139	106,971			
	<u>1,114,310</u>	<u>857,323</u>			
Note 3: Profit from ordinary activities					
Profit from ordinary activities before income tax expense has been determined after:					
Expenses:					
Borrowing Costs					
- Credit card fees	321	551			
- FID & bank charges	3,840	1,983			
- Interest	124	-			
Total Borrowing Costs	<u>4,285</u>	<u>2,534</u>			
Depreciation of Non-Current Assets					
- Furniture & fittings	5,143	23,303			
- Office equipment	17,372	24,616			
- Leasehold improvement	180,033	247,832			
- Computer equipment	22,621	45,632			
- Computer software	26,161	14,854			
Total Depreciation	<u>251,330</u>	<u>356,237</u>			
Note 4: Remuneration and retirement benefits					
Directors' Remuneration					
Income paid or payable, or otherwise made available directly to Directors of National Prescribing Service Limited					
			14	219,203	220,000
The number of directors whose income bands (including superannuation contributions) falls within the following bands:					
				No.	No.
\$0 - \$9,999				2	1
\$10,000 - \$19,999				-	-
\$20,000 - \$29,999				7	8
\$30,000 - \$39,999				-	-
\$40,000 - \$49,999				1	1
Retirement and Superannuation Payments					
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:					
				19,728	19,800
All superannuation payments are made at rate of 9% salary per annum. Full particulars are not provided as the directors believe this would be unreasonable.					
Note 5: Auditor's remuneration					
Remuneration of Auditor					
- Auditing or reviewing the financial report				15,000	13,000
- Other services				5,400	3,200
				<u>20,400</u>	<u>16,200</u>

Notes to and forming part of the financial statements for the year ended 30 June 2005

	2005	2004
	\$	\$
Note 6: Cash assets		
Cheque account	535,632	357,172
Business investment account	1,538,560	223,884
Term deposits	13,440,384	15,243,388
Petty cash	759	287
	<u>15,515,335</u>	<u>15,824,731</u>

Reconciliation of Cash

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	15,515,335	15,824,731
	<u>15,515,335</u>	<u>15,824,731</u>

Note 7: Receivables

Interest accrued	106,080	97,810
Sundry debtors	18,944	260,105
	<u>125,024</u>	<u>357,915</u>

Note 7(a): Contingent assets

During the year one of the contractors, Western Sydney Division of General Practice Inc went into liquidation. The company has filed a Formal Proof of Debt for the sum of \$171,715.70. At this stage it is highly unlikely that the Company would recover any funds from the contractor.

Note 8: Guarantee security deposits

Security deposit – other	3,170	200
Security deposit – lease Canberra	9,555	9,555
Security deposit – lease Sydney	88,128	83,563
	<u>100,853</u>	<u>93,318</u>

	2005	2004
	\$	\$
Note 9: Other current assets		
Prepayments	166,643	46,107
Gift tokens	6,780	900
Parking vouchers	69	-
Corporate gifts	6,015	-
Payroll/EFT clearing	(21,840)	-
	<u>157,667</u>	<u>47,007</u>

Note 10: Property, plant and equipment

Furniture & fittings – at cost	51,421	60,466
Accumulated depreciation	(18,373)	(16,107)
	<u>33,048</u>	<u>44,359</u>

Computer equipment – at cost	93,840	98,187
Accumulated depreciation	(47,300)	(35,201)
	<u>46,540</u>	<u>62,986</u>

Office equipment – at cost	70,747	63,495
Accumulated depreciation	(35,559)	(18,420)
	<u>35,188</u>	<u>45,075</u>

Leasehold improvements	606,641	606,641
Accumulated depreciation	(426,608)	(246,575)
	<u>180,033</u>	<u>360,066</u>

Computer software – at cost	84,205	47,546
Accumulated depreciation	(36,543)	(17,601)
	<u>47,662</u>	<u>29,945</u>

Total property, plant and equipment	<u>342,471</u>	<u>542,431</u>
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Notes to and forming part of the financial statements for the year ended 30 June 2005

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	44,359	62,986	45,075	360,066	29,945	542,431
Additions	-	11,622	8,260	-	44,123	64,005
Disposals	(6,168)	(5,447)	(775)	-	(245)	(12,635)
Depreciation expense	(5,143)	(22,621)	(17,372)	(180,033)	(26,161)	(251,330)
Carrying amount at the end of year	<u>33,048</u>	<u>46,540</u>	<u>35,188</u>	<u>180,033</u>	<u>47,662</u>	<u>342,471</u>

Note 11: Payables

	2005 \$	2004 \$
Creditors	817,834	607,037
Accruals	1,278,351	772,761
Master cards	16,247	-
PAYG payable	176,519	111,504
Superannuation payable	852	51,963
Salary sacrifice clearing	415	-
Net GST liability	368,375	595,723
FBT payable	33,000	33,000
	<u>2,691,593</u>	<u>2,171,988</u>

Note 12: Provisions

Current

	2005 \$	2004 \$
Employee benefits	218,312	155,735
Prepaid uncommitted revenue	3,910,353	14,375,950
Prepaid committed revenue	9,121,347	-
Total current provisions	<u>13,250,012</u>	<u>14,531,685</u>

Non-Current

Employee benefits	92,706	35,661
	<u>92,706</u>	<u>35,661</u>

Prepaid Committed Income

Prepaid committed revenue consists of:

QUM contracts	1,735,700	2,686,200
Medicines Symposium	-	161,000
EDQUM contracts	-	176,750
CQUM contracts	933,000	2,483,000
New Drugs contract	6,443,647	8,847,000
Australian Prescriber	8,000	22,000
	<u>9,120,347</u>	<u>14,375,950</u>

Prepaid Uncommitted Income

New Drugs contract	<u>3,911,353</u>	<u>-</u>
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The above represents prepaid uncommitted revenue relating to the New Drugs Program that the company may have to repay the Australian Government.

Notes to and forming part of the financial statements for the year ended 30 June 2005

	2005	2004
	\$	\$
Note 13: Statement of cash flows		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks.		
Reconciliation of the Operating Surplus		
After tax to net cash from operations:		
Operating surplus	80,972	17,550
Depreciation	251,330	356,237
Disposal of fixed assets	12,635	140,844
Changes in assets and liabilities:		
Increase in trade and other creditors	519,605	180,441
Decrease in receivables and other debtors	114,695	119,870
Decrease in pre-committed income	(1,344,250)	2,296,200
Increase provision for holiday pay	119,622	62,216
Net cash flow from or used in operations	<u>(245,391)</u>	<u>3,173,358</u>

Note 14: Related party disclosures

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

Richard Abbott (appointed 18 June 2001)
 Shane Carney (appointed 18 June 2001)
 Paul Bolt (appointed 11 September 1998)
 Roger Boyd (appointed 16 October 1998)
 Janette A Donovan (appointed 19 March 1998)
 Stephen R Phillips (appointed 8 August 2001)
 Peter Roush (appointed 27 July 1998, ceased 27 July 2004)
 Susan Hunt (appointed 24 October 2002)
 Allan Rennie (appointed 8 August 2001)
 Jennifer Bergin (appointed 24 August 2002)
 Shiong Kok Tan (appointed 3 August 2004)
 Jay Hooper (alternate for Jennifer Bergin appointed 24 August 2002)

Michael Bolt (alternate for Allan Rennie appointed 19 May 2003)
 Susan J Pluck (alternate for Janette Donovan appointed 12 April 2004, ceased 21 January 2005)
 Diane M Walsh (alternate for Janette Donovan appointed 23 June 2005)
 Janette Randall (alternate for Stephen R Phillips appointed 15 July 2004)

Some directors are members of NPS working groups and are paid sitting fees on the same basis as other members of those working groups.

Note 15: Economic dependency

The Company's ongoing operations are dependent on continuation of contracts with the Australian Government Department of Health and Ageing.

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 QUM that will lead to better health for Australians. This activity is performed solely in Australia.

Note 17: Capital and leasing commitments

Operating Lease Commitments	2005	2004
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the accounts:		
Payable		
- not later than one year	360,273	343,867
- later than one but not later than five years	121,643	319,725
	<u>481,916</u>	<u>663,592</u>

Notes to and forming part of the financial statements for the year ended 30 June 2005

Note 18: Financial instruments

(a) Interest rate risk

The organisation'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			
	2005	2004	2005	2004	Within 1 Year		1 to 5 Years	
	%	%	\$	\$	2005	2004	2005	2004
Financial assets					\$	\$	\$	\$
Cash	4.25	4	2,074,192	581,056	-	-	-	-
Term deposits	5.56	5.22	-	-	13,440,384	15,243,388	-	-
Total financial assets			2,074,192	581,056	13,440,384	15,243,388	-	-
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 organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the organisation.

(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 Company Secretary is:

Mr N Geddes FCA, FCIS
Australian Company Secretaries Pty Ltd

The Company's Auditors are:

Grosvenor Schilliro
Chartered Accountants
Level 2, 333 George Street
Sydney NSW 2000

The principal places of business of the Company are:

Sydney:

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

**Independent Audit Report to the Members of
National Prescribing Service Limited**

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for the year ended 30 June 2005.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes the responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of their performance as represented by the results by their operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 4 of the financial report has not changed as at the date of providing our audit opinion.

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 2005 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**



**Rod Grosvenor
Partner**

Dated this 15 day of September, 2005 at Sydney.



NPS is an independent, Australian organisation for Quality Use of Medicines,
funded by the Australian Government Department of Health and Ageing.

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