



ANNUAL REPORT 2019
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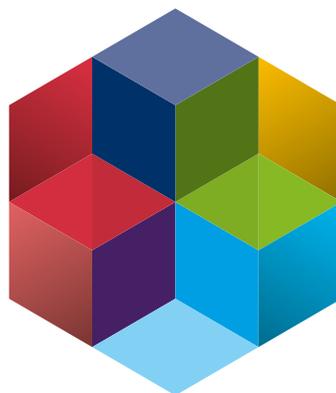


OUR MISSION

To enable people to make and act on the best decisions about medicines, medical tests, health technologies and other options for better health and economic outcomes.

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ABOUT NPS MEDICINewise

Who we are

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

Our mission

To enable people to make and act on the best decisions about medicines, medical tests, health technologies and other options for better health and economic outcomes.

Our vision

Our work will ensure people can access the best care and achieve the best value, considering individual circumstances.

What we do

We deliver evidence-based interventions to improve practice and healthcare decision-making, and products and solutions for clinical improvement, knowledge transfer and health insights. We keep consumers at the centre and focus where we can make the most difference.

NPS MedicineWise works collaboratively across the health sector to drive positive change, ensure value, and achieve maximum impact for health professionals and consumers.

Our programs and services are funded by government and non-government customers.





MESSAGE FROM THE CHAIR

DR ANDREW KNIGHT

In my clinical role as a GP, I have always valued NPS MedicineWise as an independent, trustworthy source of information and advice about medicines and medical tests. It is a privilege to now be able to contribute as Chair of this exciting, evolving, independent organisation.

Since joining the NPS MedicineWise Board in 2010, I've seen new capabilities added to our portfolio, notably the addition of medical tests to our core work on quality use of medicines (QUM), as well as the development of the MedicineInsight program, which is rapidly establishing itself as the leading source of high quality longitudinal primary care data in Australia. It is also pleasing to see the Choosing Wisely Australia initiative taken up so warmly by consumers and health professionals. Its message of reducing unnecessary tests, treatments and procedures is a very compelling one.

Over this time, I have seen NPS MedicineWise continually improve the quality of what we do and the value we provide to our funders. We have become leaner and more efficient, while – importantly – maintaining our independence and effectiveness.

General practice has been the primary setting for our work driving education and behaviour change to promote and support quality use of medicines. We have a unique connection with

GPs around Australia through our educational visiting programs, which are central to supporting our role as stewards of quality use of medicines in Australia. There is strong evidence for the effectiveness of face-to-face interventions, including small group meetings and academic detailing, to change behaviour. These direct relationships with individual GPs and practices are at the heart of our effectiveness and ability to achieve change.

The Australian community is ageing and has increasingly complex chronic care needs. Mental health is now being recognised as an area requiring focus and funding. NPS MedicineWise is well positioned and has an important role to play in response to those shifts in needs and priorities. There is also a role for us in acute care and specialist care, particularly with increasing costs of new and emerging medicines in areas such as individualised cancer treatments.

Our ability to measure the impact of changes through MedicineInsight is crucial. As a GP

academic, I'm seeing MedicineInsight data increasingly used and referenced in health services research and in health improvement and reform in Australia.

In 2018-19 the NPS MedicineWise Board welcomed the Department of Health review as an opportunity to affirm the role of NPS MedicineWise as a steward of quality use of medicines and medical tests. We found the process constructive and look forward to working with government to address outcomes and recommendations from the review.

NPS MedicineWise is well positioned and has an important role to play in response to shifts in needs and priorities.

We're delighted that the Australian Government has committed to us with four years of funding to 2022. This means we can continue our critical core work and continue to effect positive behaviour change. We are also delighted with the growth in our work with other partners to extend our reach in ways that are complementary to our core mission.

As part of this, our commercial subsidiary VentureWise has continued to provide innovative opportunities for us to work with other key stakeholders relevant to the National Medicines Policy and quality use of medicines and medical tests such as pharmaceutical manufacturers, health insurance and other health service providers, while our work with other government and non-government clients also provides additional ways for us to extend our impact.

This year the Board has played its own role in laying the foundations for an agile and effective future, re-organising itself into a smaller and leaner team to provide ever-increasing value for money to our funders.

I'd like to acknowledge the directors who finished their tenures during 2018–19, including Roger Sexton who served on the Board from 2013–19 and Debra Kay who served on the Board from 2013–18. Thank you for your valuable involvement over the years. I'd like to thank Peter Turner, who stepped down in June 2019 after serving as a director from 2012 and chair since 2015, for his significant contributions to NPS MedicineWise, and in particular, for his strong guidance and leadership as chair for the past four years.

And finally, thank you to our CEO Steve Morris and our outstanding NPS MedicineWise team, in this year of change, for the important work they do to improve health outcomes for all Australians.



MESSAGE FROM THE CEO

ADJ A/PROF STEVE MORRIS

Our organisation has a critical role to play in quality use of medicines and medical tests in Australia. This is my passion, and it is wonderful to lead a group of professionals and work in partnership with like-minded organisations and individuals who are driven by this same cause.

This past year has been a time of evolution for NPS MedicineWise. Since being appointed CEO in September 2018, my focus has been on building foundation stones to ensure we not only sustain the impact we have had over our first 20 years, but also continue to demonstrate our relevance as stewards for quality use of medicines and tests in this country.

These foundation stones include being impactful in what we do, supporting the implementation of evidence-based quality use of medicines activities and programs, and collaborating to amplify our collective impact and reduce unnecessary duplication. To achieve this, it is critical for us to have an organisational structure that is effective, flexible and fit for purpose.

CREATING IMPACT

In 2018–19, four new national education programs covered key areas: deprescribing (using proton pump inhibitors as an exemplar), appropriate

management of acute low back pain, treatments for anxiety disorders and appropriate thyroid testing. Our reach at a local level enables us to have an impact at a national level. One thing that has struck me particularly during my first year is the unique impact of our educational visitors, a field force of more than 50 educational visitors covering all Primary Health Network (PHN) regions across the breadth of Australia, with more than 30,000 health professionals visited this year.

IMPLEMENTING EVIDENCE-BASED QUM

Our traditional way of influencing behaviour change through these face-to-face visits around the country is increasingly being complemented with new ways of engaging. Virtual educational visits, live webinars which are later available as recordings, enquiries to Medicines Line via 'Ask a Pharmacist' on our Facebook page, social media videos, online media conferences – these are ways we are reaching our audiences where they are, without compromising our evidence-based

approach. Our website received more than 18 million visits in 2018–19, and our MedicineWise app has more than 70,000 active sessions each month.

The MedicineInsight program and its primary care data source continues to grow and become an integral part of not just our educational programs but also research projects, post-market surveillance and quality improvement projects. Increasingly, MedicineInsight is enabling evaluation of the impact of our programs, as outlined later in this report. In 2019, participating MedicineInsight GP practices had access to quality improvement activities aligned with

Our reach at a local level enables us to have an impact at a national level.



programs on proton pump inhibitors, low back pain and anxiety, with 1,201 interventions delivered during the year.

COLLABORATING FOR IMPACT

In 2018–19 work commenced in several areas that epitomise our new ways of working, where we will look to meet the needs of new challenges in different environments through new and refreshed collaborations.

For example, work commenced towards a reimagined Good Medicines Better Health program to better support the educational needs of Aboriginal health workers and practitioners in the quality and safe use of medicines and medical tests.

We also began work in two exciting new areas through the Australian Government's Value in Prescribing program. NPS MedicineWise will lead consortia with specialists and consumers in the areas of biologic disease modifying anti-rheumatic drugs (bDMARDs) and immunoglobulins to ensure best possible health and economic outcomes from investment in these therapies.

The Choosing Wisely initiative, convened in Australia by NPS MedicineWise, now comprises 87 members and supporters and includes almost 200 evidence-based recommendations

about practices that healthcare providers and consumers should question. Recommendations were incorporated into two NPS MedicineWise educational programs this year (proton pump inhibitors and low back pain).

Work also continued on the Primary Health Network (PHN) Immunisation Support Program, a collaborative project between the National Centre for Immunisation Research and Surveillance and NPS MedicineWise providing a national, coordinated support service to help PHNs provide immunisation programs that meet the needs of local communities.

This report contains further examples of ways we have collaborated for impact through our core work with the Australian Government Department of Health, other government and non-government customers, and our commercial subsidiary VentureWise.

FOCUSING ON PRIORITIES

The review of NPS MedicineWise by the Australian Government Department of Health has come at an opportune time and has provided the opportunity to reflect on our achievements over the last 20 years and refresh our focus for the future. Over the coming year I look forward to continuing to re-focus our strategy within the context of review outcomes when finalised, and the new National

Health priority area of the quality and safe use of medicines.

Key focus areas for us will include connecting better with consumers, families and carers, extending our impact through genuine collaboration and partnership in significant areas of need, and continuing to create maximum impact with every dollar we have. Our latest program 'Opioids, chronic pain and the bigger picture', launched in early 2019-20 and will address the use of opioid medicines in chronic non-cancer pain, helping health professionals and consumers to balance opioid-related harm with effective pain management and quality of life.

Finally, I would like to take this opportunity to thank the staff – the NPS MedicineWise team who have continued their quality work through significant change over the last year, as we transform into a more flexible, agile and responsive organisation.

We will continue refocusing our strategy in the new national health priority area of the quality and safe use of medicines.

Health professionals engaged in best practice

MedicineInsight

Consumers supported and empowered to make better health decisions

Choosing Wisely Australia
An initiative of NPS MedicineWise

HIGHLIGHTS FROM 2018-19

Health professionals visited across all program activities: **30,777**

Clinical e-Audits completed across all program activities: **3,367**

Pharmacy Practice Reviews completed: **3,469**

Case studies completed: **11,467**

Webinar attendees: **2,510**

Online learning active registered users: **91,644**

Proportion of medical schools using National Prescribing Curriculum: **95%**

Reach via our email newsletters: **108,000 health professionals**

Australian Prescriber subscribers: **78,000**

Australian Prescriber podcast downloads: **170,429**

Website visits: **18,081,217**

Calls to Medicines Line: **7,149**

MedicineWise average app active sessions monthly: **71,418**

Participating MedicineInsight general practices: **715***

MedicineInsight quality improvement interventions: **1,201**

Regular patients attending participating MedicineInsight general practices: **3.5 million**

Health professional colleges, societies and associations as Choosing Wisely member organisations: **45**

Percentage of medical colleges on board: **93%**

Health services implementing the initiative: **32**

National and state-based consumer information and advocacy partners: **9**

Evidence-based recommendations about practices healthcare providers and consumers should question: **194**

**Equates to 594 practice sites of which 500 are funded through the NPS MedicineWise core contract with the Department*

GROWING KNOWLEDGE THROUGH EVIDENCE

EVIDENCE BASE FOR EVERYONE

Evidence is the foundation of what we do. NPS MedicineWise supports health professionals and consumers by providing accurate, evidence-based information that is responsive to the world around us, meeting the evolving needs of consumers and health professionals.

For consumers, this means translating evidence so it can be easily digested, and providing resources and services alongside trusted, multi-format content to support them in managing their own health.

For health professionals, this is about ensuring they have access to the latest evidence and information about best practice so they can have meaningful conversations with patients to improve health outcomes. We use evidence-based methodologies to drive behaviour change.

OUR DESIGN PROCESS

Our educational programs are developed via a robust design process that uses clinical and human-centred design methods such as barrier identification, identifying appropriate behaviour change techniques, and co-design.

Formative research forms the basis of program design, with data gathered from a range of sources and perspectives, including desktop research to understand existing relevant activities

and resources, and the policy and regulatory environment, as well as end-user research to understand perspectives, knowledge, attitudes and behaviours of key stakeholders including consumers and health professionals. A clinical evidence review also informs the design of our programs.

Stakeholders are engaged and consulted for each of our programs, with consumers, clinicians and organisations involved in the co-design of the program messages and content.

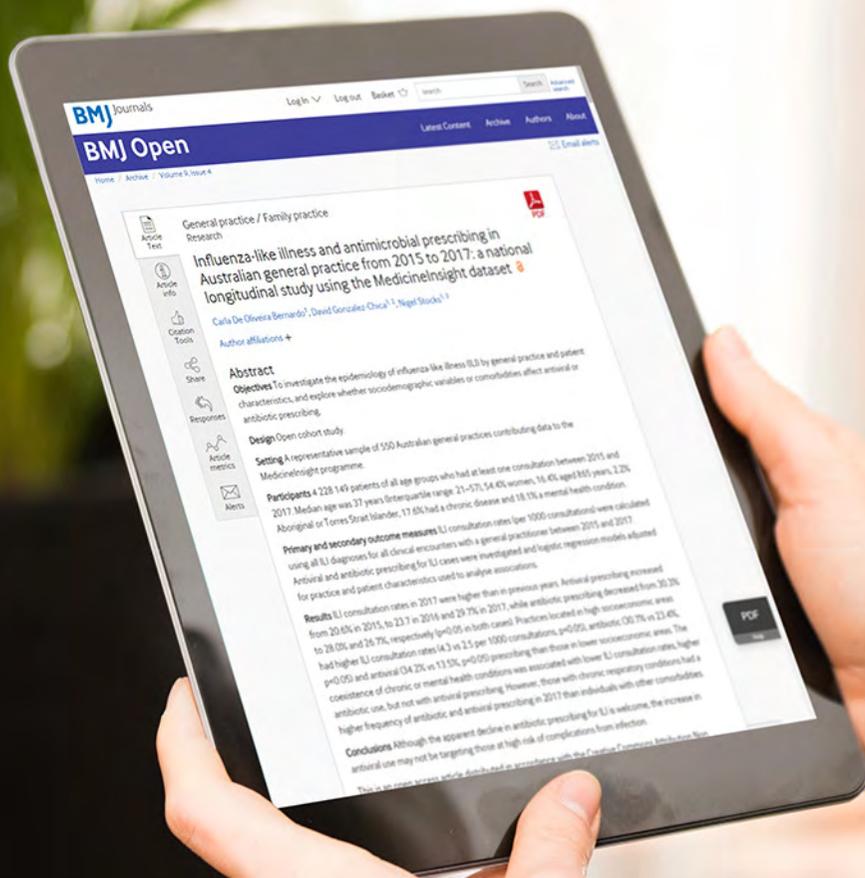
Following program design, a suite of solutions or interventions is developed to address the identified issues, and examples of these are found throughout this report. Programs are implemented according to a coordinated plan, and of course, as with any evidence-based approach, evaluation is integrated throughout the design and implementation process.

FORMATS TO MEET AUDIENCE NEEDS

Our evidence-based, clinically relevant content

and education is developed in-house and delivered where our audiences are: online (in formats suitable for both desktop and mobile devices), in print, video (which is an increasingly important medium, particularly on social media), through our MedicineWise app, and through online and in-person training. These resources take many different formats, including:

- ▶ plain English summaries of information about medicines and medical tests (eg, new medicines, changes to listings, and other topical content)
- ▶ content for health professionals (eg, academic detailing cards, clinical news articles, health professional-mediated patient action plans and online learning modules)
- ▶ activities for health professionals (eg one-on-one discussions, small group meetings and virtual visits via video call, webinars and podcasts)
- ▶ content for consumers (eg, consumer articles, web content, social media posts and videos).



PUBLICATIONS

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

1. Yu K, Anstey M, Cuthbertson J, et al. Choosing Wisely in Australian hospitals: lessons from the field. MJA Insight 2019;10.
<https://insightplus.mja.com.au/2019/10/implementing-choosing-wisely-in-australian-hospitals-lessons-from-the-field/>
2. Meyers J, Yoo J, Reddel H. Difficult to treat and severe asthma in adults. Aust J Gen Pract 2019;48:188–92.
<https://www1.racgp.org.au/ajgp/2019/april/difficult-to-treat-and-severe-asthma-in-adults>
3. Weekes LM, Blogg S, Jackson S, et al. NPS MedicineWise: 20 years of change. J Pharm Policy Pract 2018;11:19.
<https://www.ncbi.nlm.nih.gov/pubmed/30079250>
4. Morris S. Safe and sound: applying quality use of medicines to high-risk medicines. J Pharm Pract Res 2018;48:498–500.
<https://onlinelibrary.wiley.com/doi/full/10.1002/jppr.1518>
5. Lindner RA. Choosing Wisely Australia: changing behaviour in health care. Med J Aust 2018;208:105–6.
<https://www.ncbi.nlm.nih.gov/pubmed/29438640>
6. Chidwick K, Kiss D, Gray R, et al. Insights into the management of chronic hepatitis C in primary care using MedicinesInsight. Aust J Gen Pract 2018;47:639–45.
<https://www1.racgp.org.au/ajgp/2018/september/insights-into-the-management-of-chronic-hepatitis>

The table on this page outlines our full suite of activities and resources.

Content is shared widely through social media channels, through partner organisations (particularly via the newsletters of peak and professional bodies), via editorial media outreach, and through other reputable channels, for example Healthdirect and Better Health Channel.

FLAGSHIP PUBLICATIONS

Our flagship publications, Australian Prescriber and RADAR, are published digitally and continue to bring information about medicines and medical tests to tens of thousands of health professionals across Australia.

Australian Prescriber, an independent peer-reviewed journal providing critical commentary on drugs and therapeutics, was published six times in 2018–19. The wide selection of topics was complemented by a series of fortnightly podcasts, where authors join the regular podcast hosts to delve into the topics covered in their articles.

RADAR provides health professionals with timely, independent, evidence-based information on new drugs and medical tests and changes to listings on the PBS and MBS. Content is independently developed by expert medical writers and

reviewed by leading medical professionals and regulatory bodies. This content is provided in several formats, from comprehensive summaries to monthly PBS listing wrap-ups.

OUR ACTIVITIES AND RESOURCES

Our suite of program activities and resources is designed to inform decisions about medicines and

medical tests and to improve patient outcomes. We match appropriate activities from this suite to the underlying drivers of behaviour as determined during our design process. Activities are free of charge to participants and most are accredited for Continuing Professional Development for health professionals.

Activities for GPs

- ▶ One-on-one-educational visits
- ▶ Clinical e-Audits
- ▶ PBS/MBS Practice Reviews

Activities for whole-of-practice teams

- ▶ MedicineInsight visits
- ▶ Small group meetings

Activities for all health professionals

- ▶ Webinars
- ▶ Clinical case studies
- ▶ Online courses
- ▶ National Prescribing Curriculum modules

Activities for pharmacists

- ▶ Pharmacy Practice Reviews
- ▶ Pharmacy visits

Publications, programs and clinical resources

- ▶ Australian Prescriber
- ▶ RADAR
- ▶ Medicinewise News
- ▶ Clinical algorithms and tools
- ▶ Clinical news articles and information

Tools and resources for consumers

- ▶ Patient resources, news and content
- ▶ MedicineWise app
- ▶ Choosing Wisely Australia – 5 Questions
- ▶ Medicines Line and Adverse Medicine Events Line

STRENGTHENING QUALITY USE OF MEDICINES AND MEDICAL TESTS IN PRACTICE

NPS MedicineWise launched four new national education programs during the year, supported by funding from the Australian Government Department of Health.

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



STARTING, STEPPING DOWN AND STOPPING MEDICINES: PROTON PUMP INHIBITORS FOR GORD

Knowing when and how to step down or stop medicines safely and effectively is a key quality use of medicines consideration. This

educational visiting program, launched in July 2018, was designed to illustrate the principles of starting, stepping down and stopping (deprescribing) medicines to both health professionals and consumers. The program focused on the issues that lead to the over-prescribing of proton pump inhibitors (PPIs) for gastro-oesophageal reflux disease (GORD), a medicine class that is commonly prescribed and

often used long term, even when stepping down in dose or stopping may be more appropriate.

The program highlighted Choosing Wisely recommendations by the Royal Australian College of General Practitioners (RACGP) and the Gastroenterological Society of Australia for deprescribing of PPIs in primary care. It was a starting point to continue important longer term conversations about unnecessary tests, treatments and procedures.



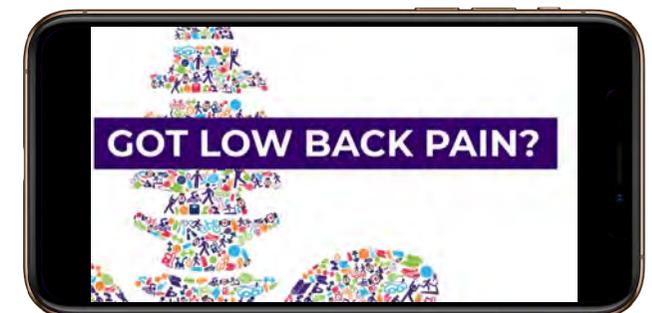
LOW BACK PAIN: TAKING ACTION

Low back pain is one of the most common complaints seen in general practice, and the leading cause of disability in the world. However, around 90% of people who present with low back pain have non-specific low back pain, where imaging

will not assist with diagnosis or management. Educational visits, which commenced in October

2018, provided GPs with the latest evidence and guideline updates to help them confidently distinguish between non-specific low back pain and more serious forms that do require further investigation and treatment. Resources were developed to help GPs discuss with their patients the importance of staying active, when pain relief medicines might be effective and the appropriate role of imaging, including when it is not needed.

Other components designed to extend the reach of this program included a podcast, MedicineWise News, online content and social media targeting both health professionals and consumers. The program was informed by a range of recommendations from several Choosing Wisely Australia members about imaging and the use of medicines.





ANXIETY: RETHINKING THE OPTIONS

Launched in March 2019, this educational visiting program's goal was to improve the wellbeing and day-to-day functioning of people with anxiety who are managed in primary care. Anxiety is the most commonly reported mental

health problem in Australia, yet only 27% of people with anxiety disorders seek help, and of these, 61% receive an evidence-based treatment.

This program was developed to improve awareness and education about anxiety to help both GPs and consumers recognise and manage anxiety disorders. It provided education on how to recognise and diagnose anxiety, along with information on the evidence base for psychological therapies, including recent evidence for eCBT programs. Clarification on when to initiate and how to optimise pharmacological treatment was included, based on the latest guidelines.

To increase reach, the program was supported by a webinar for health professionals and a social media campaign aimed at consumers.



MANAGING THYROID CONDITIONS IN PRIMARY CARE

The number of people undergoing thyroid testing in Australia is increasing at a faster rate than the population, and evidence indicates that some of these tests may be clinically unnecessary. Increased testing carries the risk of incidental findings which may lead to further tests and procedures, as well as uncertainty and anxiety for patients.

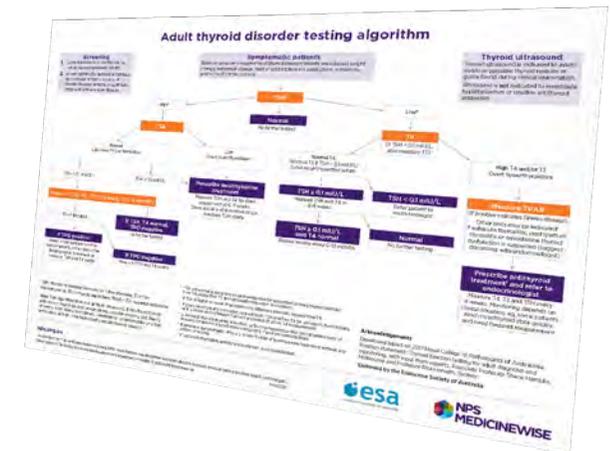
This educational program for GPs, which launched in June 2019, aims to rationalise screening, ensure appropriate referral and testing for diagnosis and improve treatment of thyroid disorders.

In particular, the program aims to increase awareness of thyroid-stimulating hormone

(TSH) as the first test when thyroid disorder is suspected, increase use of guidelines to guide appropriate use of repeat TSH testing, reduce use of thyroid function tests as first-line tests, and discourage the use of ultrasound to investigate hypothyroidism. It includes three Choosing Wisely Australia recommendations on thyroid testing. A consensus-based algorithm on thyroid testing in primary care has also been developed as part of this program.

Other educational programs launched in previous financial years which continued into 2018-19 included neuropathic pain, statins and osteoarthritis.

Programs that commenced development during the year included opioids (launched October 2019) and asthma (launching early 2020).



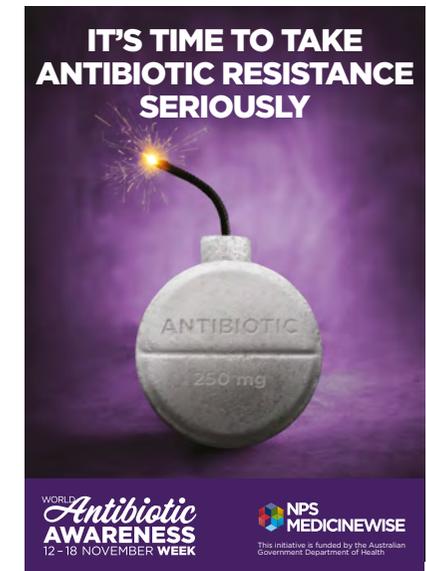
BUILDING A MEDICINEWISE AUSTRALIA

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

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

During 2018–19, our resources, information and campaigns for consumers were delivered through many unique and impactful platforms, including:

- ▶ Providing online and telephone support to people with questions about safe and effective medicines use via our Medicines Line service, which completed 7,149 telephone and Facebook enquiries in 2018–19. Our regular 'Ask a Pharmacist' chat on Facebook proved popular, and in December 2018 we collaborated with the Australian Physiotherapy Association to answer Facebook users' questions about low back pain.
- ▶ Providing telephone support for people to report and discuss adverse experiences with medicines via our Adverse Medicine Events (AME) Line service, with 205 reports completed and submitted, on behalf of consumers, to the Therapeutic Goods Administration for analysis and contribution to national pharmacovigilance.



- ▶ Developing tools and information resources for consumers through our national education programs on low back pain, anxiety and deprescribing. Interventions included web content, patient action plans (for low back pain with Arthritis Australia, and for PPIs), a patient fact sheet (for low back pain) and a patient decision aid (for anxiety).
- ▶ Publishing user-friendly consumer articles on current and topical issues such as influenza and measles.
- ▶ Conducting an annual national public relations campaign for Be Medicinewise Week in August 2018, which had the theme 'medicinewise families' and was endorsed by many member and stakeholder organisations.
- ▶ Participating in the annual World Antibiotic Awareness Week campaign in November 2018 with the theme 'It's time to take antibiotic resistance seriously'.



Reconciliation Action Plan

Our 2018–2020 Innovate Reconciliation Action Plan (RAP) was launched by CEO Steve Morris in September 2018. Supported by Reconciliation Australia, a RAP is a plan that documents the steps an organisation will take to contribute towards reconciliation with Aboriginal and Torres Strait Islander people. A key highlight has been the cultural awareness training, run throughout the year, conducted by Aboriginal group Pindarri. Thirty staff undertook the training and found it a deeply compelling and insightful learning about the culture of Aboriginal and Torres Strait Islander people.

This year also saw the re-imagining of the Good Medicines Better Health program, which aims – through a strong partnership approach – to support the Aboriginal primary care workforce in providing high quality and safe medicines advice.

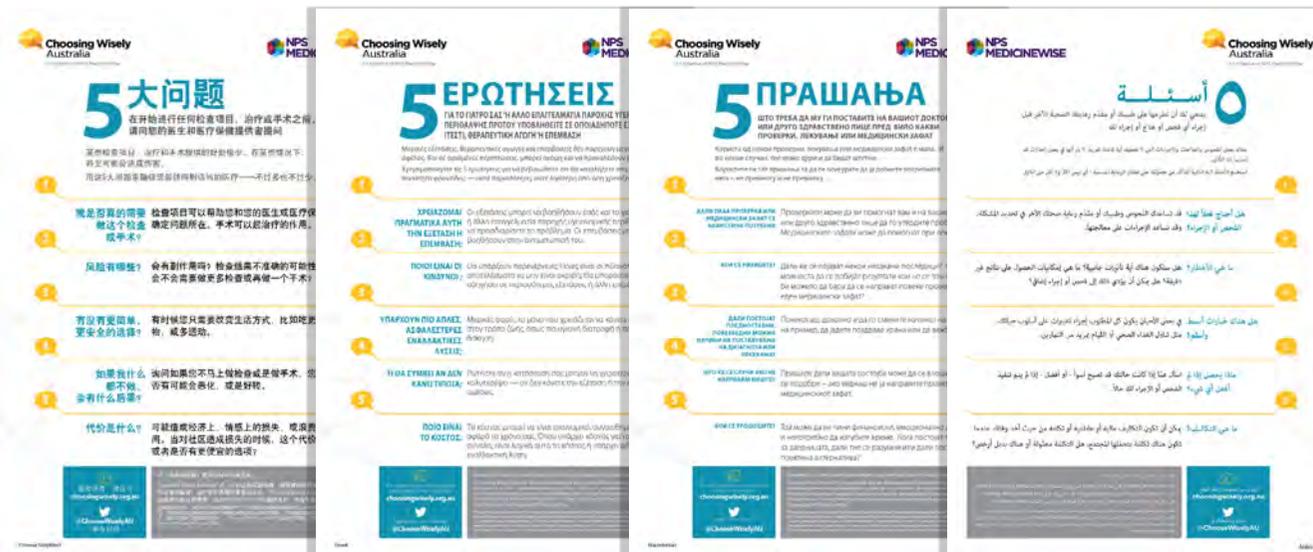
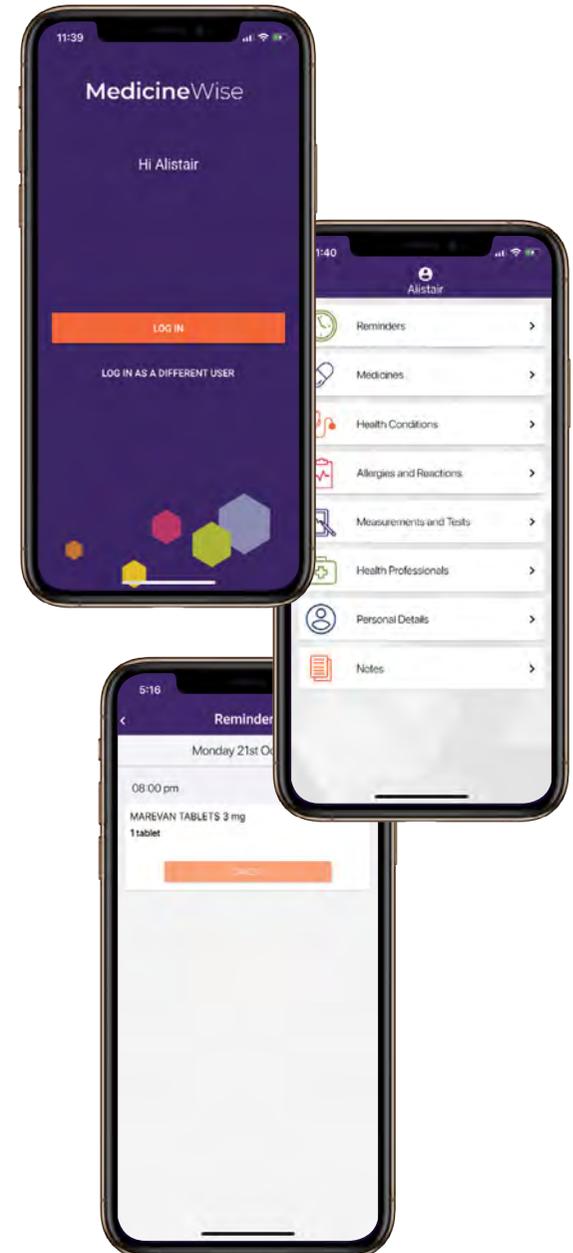


RECONCILIATION
ACTION PLAN

INNOVATE

- ▶ Sharing a range of messages, from basic 'medicinewise' concepts to more complex quality use of medicines topics, for consumers through social media, with particular emphasis on engaging, shareable video content for Facebook and Twitter.
- ▶ Issuing media releases and taking part in interviews in editorial media to amplify our messages across print, online, television and radio using accessible, interesting language and messages.
- ▶ Supporting shared decision-making by promoting the Choosing Wisely '5 questions to ask' resources, which are now available in English and 12 other languages, and delivering a new 'Conversation Starter Kit' to support consumer health advocates in promoting the key messages of Choosing Wisely to their networks.

- ▶ Improving the user experience of the MedicineWise app, with improved features encouraging medicine adherence by helping users easily record the medicine doses they have taken. More than 4,600 carers downloaded the app in 2018-19, who together recorded more than 56,000 medicine doses.
- ▶ Continuing to work and consult with partner consumer organisations to support their communities through access to evidence-based information about medicines and medical tests.



CHOOSING WISELY AUSTRALIA®

Choosing Wisely Australia is a key initiative of NPS MedicineWise, launched in 2015, which focuses on improving the safety and quality of healthcare by encouraging better conversations between healthcare providers and consumers about which tests, treatments and procedures are truly necessary.

The clinician-led initiative is part of a global movement operating in 22 countries to address low-value and unnecessary healthcare practices.

In Australia, the Choosing Wisely network comprises 45 health professional colleges, societies and associations, including 93% of medical colleges, who have delivered almost 200 evidence-based recommendations about practices that healthcare providers and consumers should question. In addition, 33 health services and 9 consumer advocacy and information partners are championing the initiative. These partnerships are integral to growing awareness of and engagement in Choosing Wisely, and demonstrate the importance of collaboration to ensure impact.

As custodian of Choosing Wisely in Australia, NPS MedicineWise sets the strategy for implementation and evaluation, guided by an international framework and informed by a Choosing Wisely Australia Advisory Group.

GP AND CONSUMER EDUCATION

Choosing Wisely Australia recommendations

have been incorporated into two NPS MedicineWise educational programs for GPs this year, with evaluation showing increased awareness of these recommendations among participating GPs.

The *Starting, stepping down and stopping medicines* program, launched in July 2018 covering the management of gastro-oesophageal reflux disease (GORD) with proton pump inhibitors (PPIs), included recommendations from the RACGP and the Gastroenterological Society of Australia. A survey of participants undertaken in February 2019 showed a 13% increase in GP awareness of the RACGP advice.

The October 2018 *Low back pain* program included Choosing Wisely recommendations on imaging from the Royal Australian and New Zealand College of Radiologists, the Australian Physiotherapy Association, Australasian Faculty of Occupational and Environment Medicine, Australasian Faculty of Rehabilitation Medicine and Australian Rheumatology Association.

In addition, the Choosing Wisely Australia resource for consumers and carers – *5 questions to ask your*

doctor or other healthcare provider – has been featured and is now available in 13 languages.

NEW RESOURCES

Two new toolkits to support the implementation of Choosing Wisely and ongoing consumer education about the need to ask questions about recommended tests, treatments and procedures have been released.

A step-by-step 'Implementation Toolkit' for hospitals was developed as part of the Victorian Scaling Collaboration. The toolkit provides best practice advice on data collection, design, change management and evaluation, with real world case studies from the Victorian Collaboration showcasing practical ideas for identifying projects and engaging staff and consumers.

A 'Conversation Starter Kit' was delivered in collaboration with the Consumers Health Forum of Australia and aims to support consumer health advocates in promoting Choosing Wisely to their networks.



2019 National Meeting

The annual Choosing Wisely Australia National Meeting, held in Melbourne on 30 May, attracted more than 230 delegates.

Keynote speaker Professor Trish Greenhalgh, Professor of Primary Care Health Sciences and Fellow of Green Templeton College at the University of Oxford, presented on the challenges of behavioural change from the perspectives of implementation science, complexity science and social science.

Opportunities for scaling and sustaining Choosing Wisely Australia featured throughout the day, including key learnings from health service members. The event showcased the progress and achievements of health services that participated in the 2018 Victorian Scaling Collaboration supported by Safer Care Victoria, Austin Health and NPS MedicineWise, with a view to becoming a national implementation model. It also provided an effective networking forum for engaged members and supporters to share insights, identify opportunities and collaborate, leaving them re-energised to return to their organisations with new ideas for implementation.



MEDICINEINSIGHT: INFORMING QUALITY IMPROVEMENT IN PRIMARY CARE

NPS MedicineWise's MedicineInsight program continues to be an important part of our mission to enable better health and economic outcomes for people and the community. MedicineInsight is a large-scale, national general practice dataset, established to support quality improvement in general practice, post-market monitoring of medicines and tests, Australian health policy and primary care research.

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

With 715* practices encompassing over 5,000 participating GPs, the MedicineInsight program is supported by funding from the Australian Government Department of Health. MedicineInsight collects de-identified data of approximately 3.5 million regular patients attending participating general practices.

Good quality primary care data is an incredibly useful resource at general practice, regional and national levels for understanding gaps in practice and opportunities to improve patient outcomes. Throughout 2018-19 we continued to use MedicineInsight to provide high-quality and actionable real-world data, studies and evidence

to inform the best decisions in the practice, policy and business of health care in Australia. MedicineInsight is contributing to our foundation stone of implementing evidence-based activities and programs promoting quality use of medicines.

To support ongoing interest in general practice data to inform research and policy, this year we started work to further develop our data linkage capability.

Work also began to migrate our data warehouse to the cloud for improved efficiency, cost saving and future program scalability.

MedicineInsight is now also contributing to the evaluation of NPS MedicineWise educational programs.

A particular highlight for the year was the publication of *A Data Resource Profile: MedicineInsight an Australian national primary health care database* in the International Journal of Epidemiology in 2019.

POST-MARKET SURVEILLANCE REPORTS

During 2018-19 we developed four quarterly post-market surveillance reports for the Department of Health on areas of interest relating to utilisation of tests and medicines:

- ▶ Selected pathology test utilisation tables: Coagulation tests, kidney function and liver function tests
- ▶ Iron deficiency anaemia and ferric carboxymellose prescribing
- ▶ Patients with chronic hepatitis C virus infection prescribed direct-acting antiviral medications in general practice
- ▶ Severe mental illness and physical health.

An additional ad hoc report was also provided on testing for hepatitis B and C.

**Equates to 594 practice sites of which 500 are funded through the NPS MedicineWise core contract with the Department*

RESEARCH PUBLICATIONS

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

- 1.** Manski-Nankervis JE, Thuraisingam S, Lau P, et al. Screening and diagnosis of chronic kidney disease in people with type 2 diabetes attending Australian general practice. *Aust J Prim Health* 2018;24:280–86
<http://www.publish.csiro.au/py/PY17156>
- 2.** Bernardo CDO, Gonzalez-Chica D, Stocks N. Influenza-like illness and antimicrobial prescribing in Australian general practice from 2015 to 2017: a national longitudinal study using the MedicineInsight dataset. *BMJ Open* 2019;9:e026396
<https://bmjopen.bmj.com/content/9/4/e026396>
- 3.** Khanam MA, Kitsos A, Stankovich J, et al. Association of continuity of care with blood pressure control in patients with chronic kidney disease and hypertension. *Aust J Gen Pract* 2019;48:300–06
<https://www1.racgp.org.au/ajgp/2019/may/association-of-continuity-of-care-with-blood-press>
- 4.** Lee CMY, Mnatzaganian G, Woodward M, et al. Sex disparities in the management of coronary heart disease in general practices in Australia. *BMJ Heart* 2019; pii: heartjnl-2019-315134
<http://dx.doi.org/10.1136/heartjnl-2019-315134>

A full list of approved projects using MedicineInsight data and associated publications is available at www.nps.org.au/approved-projects-using-medicineinsight-data



GENERAL PRACTICE INSIGHTS REPORT

The General Practice Insights Report 2016–17, published in December 2018, was the first time that clinical data collected from participating MedicineInsight practices were used to provide insights into general practice at a national level. Commissioned by the Department of Health, this working paper demonstrates how clinical data from participating practices can help inform policy, research and health systems to improve health outcomes for all Australians. The paper's findings included the most frequent reasons recorded for patients to see GPs, the chronic conditions with which patients present to GPs, and the most frequently prescribed medicines and medical tests. An important contribution to the evidence base, the report is available on our website and the next iteration of this report will be published later in 2019.

TAILORED REPORTS FOR GPs

We delivered tailored practice reports based on MedicineInsight data to GPs participating in the program, providing them with deep insights into their patient care over time and enabling them to review their own patterns of prescribing, compare with best practice guidelines and make quality improvement decisions based on real-time, high quality and clinical evidence. These reports are supporting quality use of medicines and medical tests in practice, and helping to drive positive behaviour change to improve

patient outcomes. MedicineInsight practices had access to quality improvement activities aligned with programs on deprescribing (focused on proton pump inhibitors), low back pain and anxiety, with 1,201 quality improvement interventions delivered during the year. Reports are refreshed monthly and available to participating practices via a secure web-based report repository.

SUPPORTING RESEARCH AND PATIENT CARE WITH DATA

MedicineInsight data is increasingly being used to inform implementation programs to improve quality of care for patients, and to support research projects that align with the public good ethos and mission of NPS MedicineWise.

For example, the Hunter and New England Diabetes Alliance Initiative aims to implement an integrated model of care for patients with diabetes. The program connects specialist teams with primary care teams in general practice to provide education and support, together with comprehensive performance feedback. MedicineInsight is being used to create tailored reports to help practices assess their management of patients with diabetes over time and identify potential improvements that will lead to better clinical outcomes for these patients. MedicineInsight is also enabling program evaluation.

Other projects that used MedicineInsight data in 2018–19 included:

- ▶ An iron deficiency report and quality improvement activity in general practice in Western Australia through the WA Primary Health Alliance
- ▶ A study on opiate prescribing in Australian general practice for the Therapeutic Goods Administration
- ▶ A report on pregabalin in Australian general practice for the Therapeutic Goods Administration
- ▶ Provision of data to inform the evaluation of the Health Care Homes program for the Australian Government Department of Health
- ▶ A project to optimise quality of general practice care for Australians with dementia with the University of Sydney
- ▶ A study exploring the impact of My Health Record use in primary care for the Australian Digital Health Agency.

OUR ETHICAL FRAMEWORKS

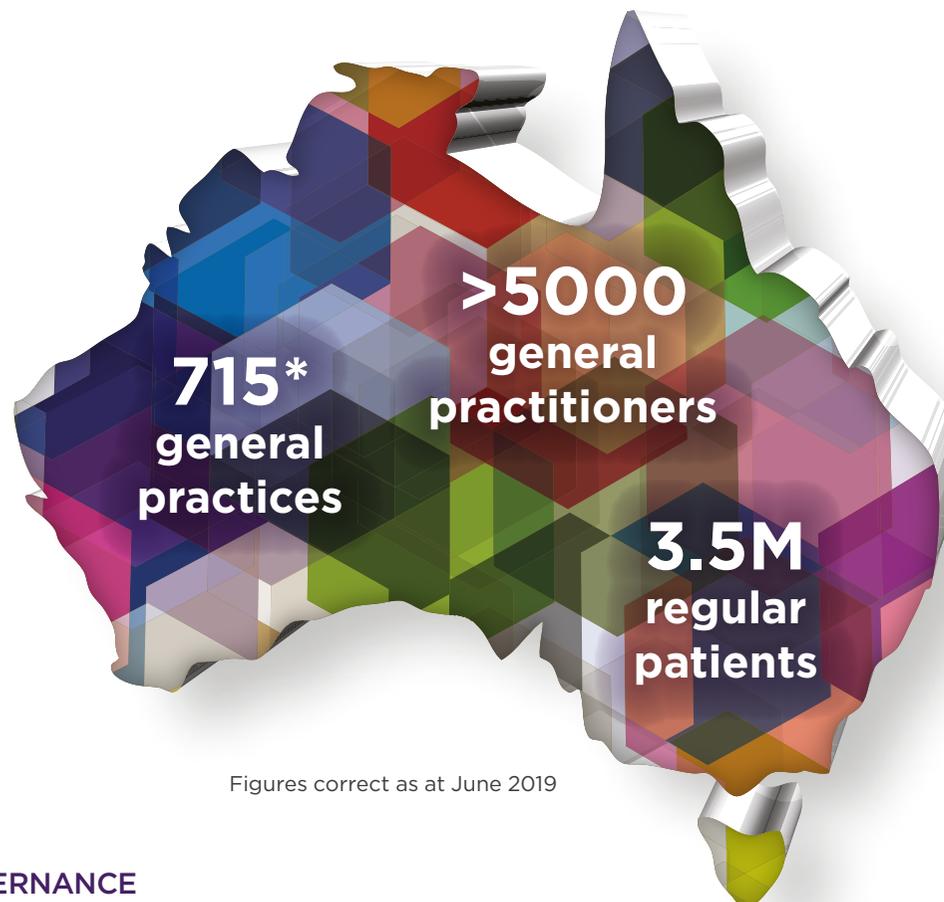
Since establishing MedicineInsight in 2011, we have operated within robust ethical frameworks. The ownership of the clinical data remains with the general practices that provided the data. This includes only using the MedicineInsight data for public good, and adhering to relevant ethical

principles and state, territory and Commonwealth legislation. MedicineInsight is approved by the RAGCP National Research and Evaluation Ethics Committee for our standard program of work using MedicineInsight data. All requests to use data are assessed by an independent Data Governance Committee comprising GPs, consumers, researchers, data security and privacy expertise, external academics and legal advisors. MedicineInsight data are not able to be accessed for marketing or promotion of commercial products. NPS MedicineWise takes its role as a data custodian very seriously and requires all data to be stored in secure data environments. To support this, we have established a workspace for researchers within the Secure Unified Research Environment (SURE).

As participation in MedicineInsight expands and the dataset evolves, we believe it will be an increasingly valuable resource for general practice into the future. MedicineInsight increasingly underpins our national education programs, and there is significant interest in how it can support quality improvement more broadly and enhance patient care.

PROGRAM ETHICS APPROVAL

MedicineInsight has program ethics approval from the RACGP National Research and Evaluation Ethics Committee, with an amendment approved in February 2019 to increase transparency and clarity to align with patients' and practices' reasonable expectations of the use of the data.



Figures correct as at June 2019

DATA GOVERNANCE

Our data governance framework underpins all MedicineInsight activities to ensure:

- ▶ ownership of data remains with originating general practices
- ▶ data are collected, stored and shared according to legal and ethical requirements, and in line with the principle of public good
- ▶ data conform to a minimum standard of quality prior to use
- ▶ rigorous information security protocols protect the data.

An independent and external Data Governance Committee provides advice and approval on use of MedicineInsight data.

**Equates to 594 practice sites of which 500 are funded through the NPS MedicineWise core contract with the Department of Health*



EXTENDING OUR IMPACT

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

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

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

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

New and continuing programs in 2018–19 are outlined below.

PHN IMMUNISATION SUPPORT PROGRAM

We are working nationally in collaboration with all Primary Health Networks (PHNs) to drive improved patient care through optimal uptake of immunisation.

The PHN Immunisation Support Program is a collaborative project between the National Centre for Immunisation Research and Surveillance and NPS MedicineWise, funded by the Australian Government Department of Health. The initiative provides a national, coordinated support service to help PHNs develop and enhance immunisation programs to meet the needs of local communities. PHNs and national, state and territory health and human services staff across Australia have access to an online hub and community of practice where they can access and share best practice information and resources.

The program also supports several working groups to identify gaps and initiatives, provides education and networking opportunities through webinars and face-to-face seminars and supports PHN and state and territory staff by providing mentoring and advice.

SUPPORTING REAL TIME PRESCRIPTION MONITORING IN VICTORIA

Opioids can be an effective component of the management of acute and cancer-related pain. However, evidence shows that for most

patients with chronic non-cancer pain, opioids do not provide clinically important improvement in pain or function compared with placebo. These medicines are also associated with significant harm if not used appropriately. Real time prescription monitoring (RTPM) has been recognised as an important way to reduce this harm for people at risk.

Working as part of a consortium led by Western Victoria PHN, NPS MedicineWise developed educational materials to support the rollout of RTPM across Victoria. As part of this program we developed a series of three modules to train prescribers and pharmacists on the use of the SafeScript system. The first module details the functionality of RTPM and its safety benefits. The second module has a focus on safe and appropriate dispensing of high-risk medicines, and managing concerns about patient safety when using high-risk medicines. The third module details best practice communication strategies to help prepare for conversations with patients about high-risk medicines. We developed face-to-face training content, which was facilitated by our Educational Visitors, and the rollout of the program was also supported by a series of webinars.



MEDICINE HANDLING GUIDELINES AND SMARTPHONE APP FOR PALLIATIVE CARE

Many people at the end of their lives would choose to die at home in the care of their family rather than at hospital.

caring@home is an Australian Government-funded project aiming to improve the quality of palliative care service delivery by making resources available to community service providers, health care professionals and carers to support people to be cared for and to die at home, if that is their choice.

In 2018–19, NPS MedicineWise collaborated with *caring@home* to develop nationally coordinated medicine handling guidelines and a smartphone app to be used by prescribers to support carers helping to manage breakthrough symptoms safely using subcutaneous medicines.

NEW CARER FUNCTIONALITY IN MEDICINEWISE APP

Around 2.7 million Australians are carers, and keeping on top of medicines is an important but often confusing task for people who care for others.



A partnership with Family and Community Service (FACS) New South Wales in 2018–19 saw the development of new features in the MedicineWise smartphone app to make life a little easier for people who look after someone who takes one or more medicines by giving carers easy access to relevant medicines information. The app was updated so carers who look after one or more people can keep details of everyone they care for in the app – and people who have more than one carer, including professional healthcare workers, can share their medicine details with multiple people. The new functionality built on the core functions of the app, including storing lists of medicines, scheduling reminders, and tracking when medicines are taken.

BETTER CARE VICTORIA FOR CHOOSING WISELY

The Choosing Wisely Scaling Collaboration is a Victorian Government-funded project of health services within Victoria aiming to reduce unnecessary tests, treatments and procedures.

The Better Care Victoria Innovation Fund (Safer Care Victoria) supported 11 health services to participate in a collaboration with NPS MedicineWise and Austin Health. The collaboration sought to effectively scale the Choosing Wisely program at Austin Health across metropolitan and regional health services. The learnings from this collaboration have the potential to benefit health services nationally.

As part of this collaboration, NPS MedicineWise was contracted to deliver design thinking and behaviour change workshops with participating

health services to help health services understand the issues they were experiencing with unnecessary tests, treatments and procedures. As part of this project we developed several toolkit resources to support the implementation of the scaling up collaboration.



IMPROVING CONSUMER PARTICIPATION IN THE NATIONAL BOWEL CANCER SCREENING PROGRAM

In June 2018, as part of a wider contract with the Cancer Institute NSW, NPS MedicineWise delivered and then evaluated the second phase of a project to create better health outcomes for consumers by supporting GPs to improve consumer participation in the National Bowel Cancer Screening Program in Western Sydney.

Following on from the first phase of the project which involved program design, the second phase of this project involved delivering bowel cancer screening interventions (including one-on-one and small group meetings) in the Western Sydney PHN region.

HELPING CONSUMERS GET THE MOST BENEFITS FROM bDMARDS

Biologic disease-modifying anti-rheumatic drugs (bDMARDs) are a class of medicines that has made a significant improvement to the management of chronic diseases like rheumatoid arthritis, inflammatory bowel disease and chronic dermatological conditions.

A grant under the Australian Government's Value in Prescribing program stream will see NPS MedicineWise and consortium partners support specialist prescribers and pharmacists, and help consumers get the most benefit from these complex medicines.

In this program, to run over three years until June 2022, the consortium members will work closely with other relevant stakeholders to ensure the best possible health and economic outcomes from investment in these therapies. Led by NPS MedicineWise, the consortium consists of:

- ▶ Australia and New Zealand Musculoskeletal (ANZMUSC) Clinical Trials Network
- ▶ Australian Rheumatology Association
- ▶ Arthritis Australia
- ▶ Cochrane Musculoskeletal
- ▶ Council of Australian Therapeutic Advisory Groups
- ▶ NPS MedicineWise
- ▶ Pharmaceutical Society of Australia
- ▶ Quality Use of Medicines and Pharmacy Research Centre at the University of South Australia
- ▶ Society of Hospital Pharmacists of Australia

PROMOTING APPROPRIATE USE OF IMMUNOGLOBULINS

Immunoglobulin is a critical therapy for people with immunodeficiencies and immune-type neurological conditions, but demand is growing and there is limited supply.

A new grant will see NPS MedicineWise work with the National Blood Authority and consortium partners the Australasian Society of Clinical

Immunology and Allergy (ASCI) and the Society of Hospital Pharmacists of Australia (SHPA) to undertake a program of work to improve health outcomes in this growing therapeutic area through improved appropriate prescribing and use.

This stream of work will support clinicians, particularly specialists, in the use of immunoglobulin products, as well as provide access to better information to allow patients to manage their health conditions.

DATA VALIDATION SERVICE FOR THE INDIGENOUS HEALTH DIVISION

NPS MedicineWise has a deep understanding of data systems in general practice and is well placed to help ensure the ongoing quality of data used for monitoring the health of Indigenous people.

We have been contracted by the Department of Health (Primary Health Data and Evidence Branch) to undertake a data validation service, addressing the National Key Performance Indicators Report and the Online Services Report, which are submitted to the Indigenous Health Division by primary health care organisations providing services to Indigenous people.

By validating this data, we are helping ensure that the indicators were being correctly and consistently measured, and that the reports, produced by different clinical information systems, are accurate. The information from

the reports is used to monitor and improve Indigenous primary health care services and support policy and service planning for Indigenous health.

OUT OF POCKET COSTS TRANSPARENCY PROJECT

Providing information to consumers about the

potential costs of health care helps them make better informed decisions and reduces barriers to accessing the care they need.

In June 2019 we were contracted by the Australian Government Department of Health to use our strong technical writing and health information expertise to contribute to the

development of materials to support informed decision-making by consumers requiring medical specialist care. These materials will contribute to the initiatives announced by Minister for Health in March 2019 to improve transparency and consumer understanding of the out of pocket costs associated with many common specialist procedures.



Established in 2015, VentureWise is an independently run, wholly owned commercial subsidiary of NPS MedicineWise which provides services to for-profit organisations such as pharmaceutical manufacturers, health insurance and other health service providers, which play a key role in the National Medicines Policy in ensuring quality use of medicines and medical tests.

The work of VentureWise remains consistent with the mission of NPS MedicineWise to help people make the best decisions about medicines, medical tests and other health choices.

In line with our independent, evidence-based remit, all programs are designed, developed and implemented by NPS MedicineWise with complete independence and editorial control over program content. This ensures that our programs remain independent and in line with best practice guidelines.

PREVENTION OF CARDIOVASCULAR EVENTS IN PATIENTS WITH TYPE 2 DIABETES AND ESTABLISHED CARDIOVASCULAR DISEASE

Patients with type 2 diabetes and established cardiovascular disease are at particular risk

of cardiovascular events and death, so it's important for health professionals to recognise the importance of intensive management of cardiovascular risk factors along with blood glucose levels. NPS MedicineWise was commissioned by VentureWise to research, design, develop, implement and evaluate an independent educational program funded by Boehringer Ingelheim and Eli Lilly to support the prevention of cardiovascular events in patients with type 2 diabetes and established cardiovascular disease.

The program aimed to increase GP knowledge of the need for intensive management of

cardiovascular risk factors in people with type 2 diabetes and cardiovascular disease, increase GP confidence in prescribing glucose-lowering medicines and increase the proportion of GPs who consider relevant medicine and patient factors when prescribing glucose-lowering medicines. Educational interventions included face-face educational visits in general practice, a clinical audit and a multidisciplinary webinar.

IMPROVING QUALITY USE OF MEDICINES FOR PEOPLE LIVING WITH HIV

Guidelines recommend all people living with HIV should be treated with antiretroviral medicines, regardless of CD4 count or viral load. Drug interactions and contraindications to antiretroviral medicines are common so medicine choice should be guided by an individual's comorbidities and other medicines. An independent medical educational grant from Gilead Sciences Ltd enabled VentureWise to commission NPS MedicineWise to deliver a program to optimise the use in primary care of antiretroviral therapy for people living with HIV. We partnered with the Australasian Society for HIV, Viral Hepatitis and Sexual Health Medicine (ASHM) to develop the intervention.

The intervention involved an initial needs analysis to identify gaps in practice and a subsequent MedicineInsight report.

Small group meetings based on the MedicineInsight report were delivered in Sydney and Melbourne to 15 general practices and highlighted common drug-drug interactions and contraindications to antiretroviral medicines.



NPS MedicineWise and ASHM developed a tool to help prescribers monitor patients after initial HIV diagnosis and during ongoing patient care. This tool is now available on the ASHM website as part of their larger suite of resources for management of sexual health by primary care

physicians and will also be used as part of their \$100 GP training program.

EDUCATION AND QUALITY IMPROVEMENT FOR CHRONIC HEPATITIS C TREATMENT IN GENERAL PRACTICE

The availability on the PBS of direct-acting antiviral treatments for management of chronic hepatitis C has provided an unprecedented opportunity to change the course of hepatitis C in Australia. In 2016, changes to PBS prescribing rules supported broad access to these medicines, including prescription by GPs.

In 2017, funding from Gilead to VentureWise through an independent education grant enabled NPS MedicineWise to design, develop, implement and evaluate an education program in line with the Fifth National Hepatitis C Strategy to support GPs in their new role managing chronic hepatitis C. This initial educational program was provided to approximately 100 general practices.

Further funding has been secured to support a cluster randomised controlled trial (cRCT) to evaluate the impact of an educational intervention on chronic hepatitis C management in general practice. Education will include educational visiting using MedicineInsight data (to about 200 general practices) and a Clinical e-Audit.



OUR SUPPORTING STRUCTURES: QUALITY MANAGEMENT AND CLINICAL GOVERNANCE FRAMEWORKS

QUALITY MANAGEMENT

The NPS MedicineWise Quality Management System describing our quality principles and objectives continues to underpin the development and delivery of all our products and programs.

We are committed to:

- ▶ operating in accordance with best-practice ethical frameworks
- ▶ using the best available data and evidence to provide products and services that serve our mission and meet customer and audience needs and expectations
- ▶ listening and responding to feedback from our customers, stakeholders and audiences to help us evaluate the effectiveness of, and continuously improve, our products and services
- ▶ setting appropriate quality objectives for our products and services and continuously monitoring our performance against those objectives
- ▶ ensuring our staff are trained and competent for the work they perform, complying with all applicable regulatory and governing body requirements as well as the requirements of ISO 9001:2015 Quality Management Systems.

Our quality objectives continue to address the following principles.

- ▶ **Access:** to provide access to our programs, products and services for the intended audience.
- ▶ **Safety:** to avoid harm to people from the availability and use of our programs, products and services.
- ▶ **Appropriateness:** to be accurate, relevant and evidence-based.
- ▶ **Effectiveness:** to achieve defined health impacts and outcomes.
- ▶ **Customer satisfaction:** to meet customer requirements.

During this past year NPS MedicineWise has further improved our risk and issue management processes, making them even more transparent and robust. NPS MedicineWise undergoes annual external audits to ensure continued compliance

with the ISO9001:2015 Quality Management Standard. In July 2019 we passed the latest audit with no findings. The external auditors commented that they were impressed by the maturity of the Quality Management System and how ingrained quality is throughout the organisation.

During this past year NPS MedicineWise has further improved our risk and issue management processes, making them even more transparent and robust



CLINICAL GOVERNANCE

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

ADVISORY INPUT FOR QUALITY USE OF MEDICINES STEWARDSHIP

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

Involvement of subject matter experts through formal program governance ensures our programs and interventions are appropriately designed, targeted and contextualised to meet

the needs of different audiences. In 2018-19, active governance groups included:

- ▶ Clinical Intervention Advisory Group
- ▶ Independent Data Governance Committee
- ▶ Data Development Advisory Group
- ▶ Australian Prescriber Editorial Executive
- ▶ Expert Working Groups
- ▶ National Prescribing Competency Framework Expert Reference Group
- ▶ Choosing Wisely Advisory Group
- ▶ Choosing Wisely Consumer Engagement and Activation Project Expert Working Group.

OUR MEMBERS

Our 45 member organisations are an important and valued asset to our work. The member organisations represent GPs, pharmacists, specialists, nursing, other health professionals, the pharmaceutical industry, government and the Australian community.

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

BOARD OF DIRECTORS



DR ANDREW KNIGHT

Andrew was appointed Chair of the NPS MedicineWise Board on 1 July 2019.

Andrew has been a general practitioner for 30 years and is currently a staff specialist in general practice at the Academic Primary and Integrated Care Unit in South Western Sydney Fairfield GP Unit. He has worked in general practice training with the Australian General Practice Training Program for the Royal Australian College of General Practitioners and WentWest.

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

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



ADJ A/PROF STEVE MORRIS

Steve Morris has worked in numerous clinical and leadership roles in the health sector, spanning pharmacy practice, community and hospitals, primary care, industry and NGOs. Before joining NPS MedicineWise, Steve was accountable for the delivery of statewide pharmacy services to the public sector in South Australia, holding dual roles as

Executive Director SA Pharmacy, and Chief Pharmacist for SA Health. Originally from the UK, Steve was deputy chief executive of the National Prescribing Centre. He is passionate about quality use of medicines and the implementation of evidence-based practice, including the use of data and electronic health systems to support best health outcomes for people. Steve holds an MBA and MSc in Health Services Research and Technology Assessment.

Steve has been an NPS MedicineWise director since 20 September 2018.



DR ROSEMARY BRYANT

Rosemary has had a broad career in acute hospital and community nursing management, as well as in government relations, advocacy and policy development and implementation. After serving as Executive Director of the Royal College of Nursing, Australia, for 8 years, she was the first Commonwealth Chief Nurse and Midwifery Officer from July 2008 to June 2015.

Rosemary is a Distinguished Life Fellow of the Australian College of Nursing, holds honorary life membership of the Australian Nursing and Midwifery Federation (SA Branch), is Emerita Director of Nursing at Royal Adelaide Hospital and was President of the International Council of Nurses from 2009 to 2013. She chairs the Steering Committee of the Rosemary Bryant AO Research Centre.

Rosemary is a member of the NPS MedicineWise Board Governance and Nomination Committee.



DR JAMES LANGRIDGE

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

entrepreneurship in higher education and business management.

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

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

Jim is a member of the NPS MedicineWise Board Audit and Risk Committee.



DR WINSTON LIAUW

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

His clinical practice is based around gastrointestinal cancer with a speciality in regional and intraperitoneal chemotherapy. He is a Director of the Cancer Services Stream, South Eastern Sydney Local Health District and Oncology Program.

He has been heavily involved in research ethics and regulation and is former chair of the Cancer Institute Clinical Research Ethics Committee.

Winston is Oncology Program Chair at the NSW Health Education and Training Institute (HETI) and convenes the Basic Science of Oncology Course. He is lead clinician for the Translational Cancer Research Network and the UNSW Sphere Cancer CAG.

Winston was appointed the Chief Medical Information Officer of South Eastern Sydney Local Health District in 2019.

Winston is Chair of the NPS MedicineWise Board Audit and Risk Committee.



MS JENNIFER MORRIS

Jennifer is a healthcare safety professional and consumer representative with a focus on the safety, wellbeing, experiences,

perspectives and contributions of healthcare consumers.

In her work at the University of Melbourne, Jennifer's qualitative and quantitative research has explored clinical care and clinical decision-making, as well as healthcare workforce regulation and legislative reform. Her particular research interests include evidence-based healthcare, health workforce culture, and consumer involvement in quality and safety improvement.

She is a member of the Safer Care Victoria Academy (Incident Response Team), and Victorian Clinical Council, and holds advisory committee positions with a variety of health sector organisations, including the Australasian College for Emergency Medicine, Health Complaints Commissioner (Victoria), Australian Primary Health Care Nurses Association and National Health and Medical Research Council.

Jennifer is Chair of the Board Governance and Nomination Committee.



MS DEBBIE RIGBY

Debbie is a consultant clinical pharmacist practicing in Brisbane. She is an internationally recognised certified geriatric pharmacist,

having a special interest in geriatric and respiratory pharmacotherapy, and regularly conducts medication review services and presentations to pharmacists, nurses, allied health professionals and consumers.

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

Debbie's work is award-winning, earning her the PSA Australian Pharmacist of the Year in 2001, PSA Qld Bowl of Hygeia in 2002, inaugural AACP Consultant Pharmacist Award in 2008, SHPA Clinical Pharmacy Award in 2016 and PSA Qld Gold Medal Award in 2017.

Debbie is a member of the NPS MedicineWise Board Audit and Risk Committee.

BOARD GOVERNANCE AND NOMINATION COMMITTEE REPORT

The Board Governance and Nomination Committee (BGNC) has a critical role in assisting the board to discharge its responsibilities and duties to NPS MedicineWise members, other stakeholders and at law by ensuring:

NPS MedicineWise has a values and skills-based board of an effective size and commitment.

The NPS MedicineWise Board has policies and procedures that guarantee effective governance of the board and organisation.

Significant activities undertaken over the past 12 months included:

- ▶ Undertaking regular succession planning discussions on behalf of the board, to ensure the board has a complement of skills to lead the organisation into the future in a way that is consistent with current best practice. This resulted in a review of the Board Skills

Matrix to achieve a balance between optimal board size while ensuring skills mix is retained to enable the board to meet governance demands.

- ▶ Supporting board evaluation and assessment.
- ▶ Planning for board chair successor. The BGNC supported the selection and appointment of a new board chair.

During 2018-19 the board made four director appointments. The role of the BGNC is to regularly review the recruitment and appointment processes for new directors; assessing applicants against the criteria: and for applicants meeting

the criteria, interviewing them on behalf of the board. Recommendations for an appointment to the board are then made by the BGNC for board consideration. Once appointed, the BGNC has an important role in ensuring that new directors receive an appropriate induction to prepare them for their role on the NPS MedicineWise Board.

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

Dr Andrew Knight

Chair, Board Governance and Nomination Committee

AUDIT AND RISK COMMITTEE REPORT

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

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

Highlights for 2018-19 are:

- ▶ Recommending and approving financial governance and risk management strategies and policies.
- ▶ Conducting financial and risk management training programs for directors.
- ▶ Receiving an unqualified audit report for the 2018-19 financial year.

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

Dr Winston Liauw

Chair, Audit and Risk Committee



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DIRECTORS' REPORT

1

The Directors present their report together with the annual financial report of National Prescribing Service Limited and its 100% wholly owned subsidiary, VentureWise Pty Limited, from hereon in referred to as "the Group" for the financial year ended 30 June 2019.

Directors

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

Non-Executive Directors

Peter Turner (Chair) (retired 27 June 2019)
 Andrew Knight (appointed as Chair 27 June 2019)
 James Langridge
 Winston Liauw
 Deborah Rigby
 Jennifer Morris
 Rosemary Bryant
 Debra Kay (retired 30 September 2018)
 Roger Sexton (retired 8 March 2019)

Executive Director

Steve Morris (appointed 20 September 2018)
 Lynn Weekes AM (retired on 4 July 2018)

Particulars of Directors

Name of Director and Qualifications	Board committee memberships	Experience
Peter Turner (Chair) BSc, MBA, GAICD	Board Governance and Nomination Committee	Former Executive Director and Chief Operating Officer of CSL Limited and Founding President of CSL Behring. Past Chairman and Board member of the PPTA (Plasma Protein Therapeutics Association). Non-executive director of Virtus Health Limited and Bionomics Limited. Previous Chair of Ashley Services Group Limited. Graduate member of the Australian Institute of Company Directors. NPS MedicineWise director since 9 December 2012. Chair, NPS MedicineWise Board from 1 January 2015 to 27 June 2019.
Andrew Knight (Chair) MBBS, MMedSci, FRACGP, FAICD	Chair, Board Governance and Nomination Committee	General Practitioner and staff specialist in general practice at the Fairfield GP Unit. Conjoint Senior Lecturer in general practice at the University of New South Wales and Western Sydney University. Honorary Senior Lecturer University of Sydney. Clinical Adviser for the Australian Primary Care Collaborative program. Former Chair of the Nepean Blue Mountains Primary Health Network. NPS MedicineWise director since 3 August 2010. Chair, NPS MedicineWise Board from 27 June 2019.

DIRECTORS' REPORT (Continued)

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Particulars of Directors (Continued)

Name of Director and Qualifications	Board committee memberships	Experience
James Langridge BBus, GradDipTertiaryEd, MEdAdmin, DBA, FAICD	Board Audit and Risk Committee	Formerly Vice Principal (International) University of Wollongong and Foundation CEO/Managing Director of the ITC Group of Companies (UOW's commercial arm). Significant Board experience in off-shore jurisdictions especially the Middle East and North America. Chair, VentureWise Pty Ltd. NPS MedicineWise director since 3 December 2009.
Winston Liauw MBBS(Syd), MMedSci(UNSW), FRACP, GAICD, MPol&Policy(Deakin)	Chair, Board Audit and Risk Committee (appointed 30 September 2018)	Practising Medical Oncologist and a Clinical Pharmacologist. Director of the Cancer Services Stream South Eastern Sydney Local Health District and Oncology Program. Chair at the NSW Health Education and Training Institute (HETI) Course and convener Basic Sciences of Oncology. Member of Royal Australasian College of Physicians Policy and Advocacy Committee. Member of leadership groups of the Translational Cancer Research Network and UNSW Sphere Cancer Academic Group. Chief Medical Information Officer South Eastern Sydney LHD. NPS MedicineWise director since 18 June 2010.
Deborah Rigby BPharm, GradDipClinPharm, AdvDipNutrPharm, AdvPracPharm, AACPA, FASCP, FACP, FPS, FSHP, FAICD	Audit and Risk Committee	Advanced Practice Pharmacist. Member of Medication Safety Oversight Committee, Australian Commission for Quality and Safety in Health Care. Adjunct Associate Professor at the School of Pharmacy, University of Queensland. Clinical Associate Professor at Queensland University of Technology. NPS MedicineWise director since 25 August 2008.
Jennifer Morris BSc BA GDipSciComm	Board Governance and Nomination Committee	Healthcare quality and safety professional – with a focus on the wellbeing, experiences, perspectives and contributions of healthcare consumers. Member of the Occupational Therapy Board of Australia. Former member of the Board of Management for the Disability Discrimination Legal Service. Member of the Safer Care Victoria Academy (Incident Response Team), and Victorian Clinical Council. Holds advisory committee positions with the Australasian College for Emergency Medicine, Health Complaints Commissioner (Victoria) and Australian Primary Health Care Nurses Association. NPS MedicineWise director since 19 May 2017.

DIRECTORS' REPORT (Continued)

Particulars of Directors (Continued)

<i>Name of Director and Qualifications</i>	<i>Board committee memberships</i>	<i>Experience</i>
Rosemary Bryant AO FACN (DLF)	Board Governance and Nomination Committee	<p>Former Executive Director of the Royal College of Nursing, Australia and the first Commonwealth Chief Nurse and Midwifery Officer.</p> <p>A distinguished Life Fellow of the Australian College of Nursing, holds honorary life membership of the Australian Nursing and Midwifery Federation (SA Branch), is Emerita Director of Nursing at Royal Adelaide Hospital and was President of the International Council of Nurses from 2009 to 2013. Chairs the Steering Committee of the Rosemary Bryant AO Research Centre and is chair of the Rosemary Bryant Foundation.</p> <p>NPS MedicineWise director since 25 October 2017.</p>
Debra Kay PSM PSM, BEd GradDip	Chair, Board Audit and Risk Committee	<p>Research Fellow, South Australian Health and Medical Research Institute (SAHMRI). Member, Health Performance Council of South Australia (SA) and Chair, Health Consumers Alliance of SA. Consumer representative on a range of government committees. Former CEO of Asthma Australia and Regional Program Manager at The Smith Family.</p> <p>NPS MedicineWise director from 12 July 2013 to 30 September 2018.</p>
Roger Sexton MBBS, DRCOG(UK), FRACGP, FACRRM, FAICD, MBA (Adel), Member AMA, RACGP, ACRRM, RDASA, AICD	Board Governance and Nomination Committee	<p>Rural procedural General Practitioner for over 35 years and currently works as a rural locum and in urban clinical practice as an executive health consultant and Medical Director of Doctors' Health SA and NT. Past member of the PBAC, last Presiding Member of the Medical Board of SA. Board member of medical indemnity insurer MIGA, Chair of its Clinical Risk Management Committee, Director Doctors Health Services Pty Ltd.</p> <p>NPS MedicineWise director from 8 March 2013 to 8 March 2019.</p>
Steve Morris BPharm, MSc in Health Services Research and Technology Assessment, MBA		<p>Chief Executive Officer of NPS MedicineWise since 3 September 2018.</p> <p>Former Executive Director SA Pharmacy, and Chief Pharmacist for SA Health.</p> <p>Mr Morris holds an MBA and MSc in Health Services Research and Technology Assessment.</p> <p>NPS MedicineWise executive director since 20 September 2018.</p>

DIRECTORS' REPORT (Continued)

Particulars of Directors (Continued)

<i>Name of Director and Qualifications</i>	<i>Board committee memberships</i>	<i>Experience</i>
Lynn Weekes AM BPharm, MSc, PhD, Fellow SHPA, GAICD		<p>Chief Executive of NPS MedicineWise from 1998 to 4 July 2018.</p> <p>NPS MedicineWise executive director from 25 May 2015 to 4 July 2018.</p>

Company Secretary

Kerry-Ann Aitken was reappointed as Company Secretary effective from 1 July 2019.

DIRECTORS' REPORT (Continued)

Meetings of Directors

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

Name of Director	Meetings of Directors		Board Audit and Risk Committee meetings		Board Governance and Nomination Committee meetings	
	Number eligible to attend	Number of meetings attended	Number eligible to attend	Number of meetings attended	Number eligible to attend	Number of meetings attended
Peter Turner	6	6			7	4
Andrew Knight	6	6			7	6
James Langridge	6	6	5	5	1	1
Winston Liauw	6	6	5	5		
Deborah Rigby	6	6	5	5		
Jennifer Morris	6	6			7	7
Rosemary Bryant	6	6			7	7
Steve Morris	6	6			7	
Roger Sexton	4	4			3	1
Debra Kay	1	1	1	1		

Principal Activities

NPS MedicineWise enables Australians to make and act on the best decisions about medicines, medical tests and other health choices, creating better health and economic outcomes for individuals and the nation.

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

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

We work nationally, implement locally, and are mission-driven.

Operating Results

The net deficit for the year ended 30 June 2019 was \$315,549 (2018: surplus \$631,512).

DIRECTORS' REPORT (Continued)

Performance Measures

	2019		2018	
	Target	Actual	Target	Actual
Reported PBS Savings (\$M) ¹	70.00	TBA	70.00	71.06
Reported MBS Savings (\$M) ¹	13.00	TBA	13.00	14.44
Number unique GP participants ²	14,000	14,420	14,000	16,023
Number consumer interactions	1,200,000	4,369,591	1,500,000	2,650,453

¹ PBS and MBS savings results for the 2019 financial year are not included in this report due to the delay in receiving this data.

² In 2019, our Quality Use of Medicines Education contract with the Commonwealth Department of Health funded educational visits to 14,420 GP participants.

Review of Operations

NPS MedicineWise continued to deliver on our objectives during the 2018-19 financial year, while reviewing and making changes to our operational structure to ensure we remain agile, outcome-focused and relevant into the future.

Services delivered in 2018-19 included health professional knowledge transfer and clinical improvement programs, consumer education and awareness campaigns, quality improvement initiatives, health professional and consumer publications and online content, consumer telephone services, and tools and resources to support health literacy across different health and community settings.

Our focus continues to be on optimising safe and effective use of medicines and medical tests through delivery of integrated, evidence-based and rigorously evaluated programs. During the year we ran multidisciplinary educational programs on deprescribing (using proton pump inhibitors as an example), low back pain, anxiety disorders, and thyroid conditions.

We supported consumers being medicinewise in the community through social media and public relations activity including our annual Be Medicinewise Week and continued our work on combating antibiotic resistance by raising awareness about inappropriate prescribing and use of antibiotics. Our customer base continued to grow, and we commenced work with state governments and other customers and partners in new areas of innovation and care including cancer screening and referrals, community-based palliative care, genomics, real time prescription monitoring and mental health. In June 2019 NPS MedicineWise and our consortium partners secured an additional \$10.8m over three years in funding for two Value in Prescribing projects to improve use of biologic disease-modifying anti-rheumatic drugs (bDMARDs) and immunoglobulins.

MedicineInsight continued its growth, with over 700 general practices now contributing to the unique data set. Interest in the data has grown significantly with interest from national and state agencies, Primary Health Networks as well as researchers.

Choosing Wisely also continued to grow among the health profession and wider community, including into new areas of healthcare research, education and advocacy. Choosing Wisely recommendations were embedded into NPS MedicineWise educational programs.

We welcomed new Chief Executive Officer Mr Stephen Morris in September 2018.

A review of the operational structure resulted in the restructure of our Executive team, along with a wider restructure of the business.

Significant Changes in State of Affairs

In June 2018, the Commonwealth Department of Health confirmed that NPS MedicineWise would be funded for a period of four years until 30 June 2022. Since this time, NPS MedicineWise have operated in accordance with a variation to our funding agreement in order to deliver grant activities for the current financial year. The funding variation was again extended from 1 July 2019 to 31 December 2019.

Matters Subsequent to Reporting Period

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

Dividends

Under the terms of NPS MedicineWise's constitution it is not entitled to pay dividends. No dividends were proposed, declared or paid by VentureWise to NPS MedicineWise during or since the financial year.

Members' guarantee

NPS MedicineWise is a company limited by guarantee without share capital. In the event of the company being wound up, each member undertakes to contribute an amount not exceeding \$50 to cover costs, charges and expenses of winding up. As at 30 June 2019, there were 45 members of the company (2018: 45).

Environmental Issues

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

Indemnification and Insurance of Directors, Officers and Auditors

Indemnification

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

Insurance Premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability insurance contracts for the year ended 30 June 2019.

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

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

Court Proceedings

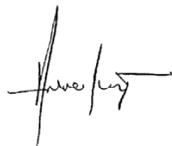
No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervened in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

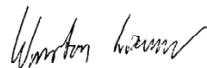
Auditor's Independence Declaration

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

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



Andrew Knight
Chair of National Prescribing Service Limited



Winston Liauw
Director & Chair of the Audit and Risk Committee

Dated at Sydney:

4th October 2019



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

4 October 2019

Dear Board Members

National Prescribing Service Limited

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

As lead audit partner for the audit of the financial statements of National Prescribing Service Limited and its subsidiary for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Gaile Timperley
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte Network.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

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	Note	Group 2019	Group 2018
Revenue	4	36,094,693	45,041,627
Operational Expenses	5	(5,784,822)	(8,625,147)
Gross Surplus		<u>30,308,701</u>	<u>36,416,480</u>
Other Income	4	49,145	206,289
Finance Income	4	383,565	246,962
Employee Related Costs	5	(26,721,109)	(32,150,274)
Overheads – Fixed Costs	5	(2,249,671)	(2,519,186)
Overheads – Variable Costs	5	<u>(2,087,350)</u>	<u>(1,568,759)</u>
Net (Deficit)/Surplus before Income Tax		<u>(315,549)</u>	<u>631,512</u>
Income Tax Expense		-	-
(Deficit)/Surplus for the Year		<u>(315,549)</u>	<u>631,512</u>
Items that will not be reclassified subsequently to profit or (loss)		-	-
Items that may be reclassified subsequently to profit or (loss)		-	-
Total comprehensive (Deficit)/Surplus for the year		<u>(315,549)</u>	<u>631,512</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

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	Note	Group 2019 \$	Group 2018 \$
ASSETS			
Cash and Cash Equivalents	7	4,854,006	10,622,895
Short Term Investment	7	3,514,240	-
Trade and Other Receivables	8	2,964,081	1,339,196
Other Assets	9	<u>624,739</u>	<u>573,199</u>
Total Current Assets		<u>11,957,066</u>	<u>12,535,290</u>
Other Assets	9	43,071	43,071
Property, Plant and Equipment	10	490,905	572,645
Intangible Assets	10	<u>138,929</u>	-
Total Non-Current Assets		<u>672,905</u>	<u>615,716</u>
Total Assets		<u>12,629,971</u>	<u>13,151,006</u>
LIABILITIES			
Trade and Other Payables	11	5,798,887	5,231,352
Provisions	12	<u>2,371,842</u>	<u>2,903,673</u>
Total Current Liabilities		<u>8,170,729</u>	<u>8,135,025</u>
Provisions	12	<u>968,055</u>	<u>1,209,245</u>
Total Non-Current Liabilities		<u>968,055</u>	<u>1,209,245</u>
Total Liabilities		<u>9,138,784</u>	<u>9,344,270</u>
NET ASSETS		<u>3,491,187</u>	<u>3,806,736</u>
EQUITY			
Retained Earnings	13	<u>3,491,187</u>	<u>3,806,736</u>
TOTAL EQUITY		<u>3,491,187</u>	<u>3,806,736</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2019**

	Retained Earnings	Total Equity
	\$	\$
Balance at 1 July 2017	3,175,224	3,175,224
Total Comprehensive Income for the Year		
Surplus for the Year	<u>631,512</u>	<u>631,512</u>
Balance at 30 June 2018	<u>3,806,736</u>	<u>3,806,736</u>
Total Comprehensive Income for the Year		
Deficit for the Year	<u>(315,549)</u>	<u>(315,549)</u>
Balance at 30 June 2019	<u>3,491,187</u>	<u>3,491,187</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	Group 2019	Group 2018
		\$	\$
Cash flows from Operating Activities			
Receipt of Department of Health funding		33,534,967	43,300,401
Receipts from customers		983,986	6,034,353
Interest received		383,565	246,962
Payments to suppliers & employees		<u>(36,682,287)</u>	<u>(48,631,211)</u>
Net Cash (Used in)/Generated by Operating Activities	15	<u>(1,779,769)</u>	<u>950,505</u>
Cash flows from Investing Activities			
Payments for investments		(3,514,240)	-
Payments for property, plant and equipment		(478,865)	(385,212)
Proceeds from property, plant and equipment		3,985	-
Net Cash Used in Investing Activities		<u>(3,989,120)</u>	<u>(385,212)</u>
Net (Decrease)/ Increase in Cash Held		(5,768,889)	565,293
Cash and Cash Equivalents at the Beginning of the Year	7	<u>10,622,895</u>	<u>10,057,602</u>
Cash and Cash Equivalents at the End of the Year		<u>4,854,006</u>	<u>10,622,895</u>

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

1 Corporate Information

These financial statements and notes represent those of National Prescribing Service Limited (NPS MedicineWise) for the year ended 30 June 2019 are presented as consolidated financial statements and represent those of the Company and its controlled entity ("the Group") The Group comprises of the Company, National Prescribing Service Limited and its wholly owned subsidiary VentureWise Pty Limited.

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

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

The financial statements were authorised for issue by the directors on 4 October 2019.

2 Statement of Significant Accounting Policies**a) Basis of Preparation**

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

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

All amounts are presented in Australian dollars.

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

b) Statement of Compliance

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

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

c) Going Concern

The existing Commonwealth Government funding agreement will expire on 31 December 2019. The Commonwealth Government have proposed that the grant will be extended until 30 June 2022; however it will be at a reduced level of funding.

While negotiations with the Commonwealth Government to confirm the detail of the new funding agreement continue, Management have restructured the Company's operating model and reduced costs to ensure the Company will be able to continue operating within the anticipated reduced funding level and scope.

Management have concluded that going concern is an appropriate assumption for the year end 30 June 2019, therefore; the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

d) Basis of consolidation

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

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

2 Statement of Significant Accounting Policies (continued)**(d) Basis of consolidation (continued)**

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

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

e) Revenue Recognition

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

Government Contract

Government contract income is initially recognised as a liability and revenue is recognised where control passes, which normally occurs as services are performed or funds are spent on contract activity.

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

Other Revenue

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

Sale of Non-Current Assets

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

2 Statement of Significant Accounting Policies (continued)

- f) **Advertising Expense**
Advertising costs are expensed as work performed by the advertising agent is completed.
- g) **Income Tax**
The Company, NPS MedicineWise has obtained an income tax ruling and is tax exempt pursuant to Section 50-B of the Income Tax Assessment Act 1997. The Company's wholly owned subsidiary, VentureWise is subject to Income Tax.
- h) **Cash and Cash Equivalents**
Cash and short term deposits are carried at face value of the amounts deposited or drawn. The carrying amounts of cash and short term deposits approximate net fair value. Interest revenue is accrued at the market or contracted rates. Credit risk is minimised as all cash is held with approved financial institutions in accordance with the Group's investment policy.
- i) **Trade and Other Receivables**
Debtors are generally settled within 30 days and are carried at amounts due. The collectability of debts is assessed at year end and specific provision is made for any doubtful accounts. The carrying amount of debtors approximates fair value.

The Company has extended an Intercompany Loan facility capped at \$500,000 to its wholly owned subsidiary, VentureWise. Interest on the loan is charged at an arm's length rate calculated as 2% above the current market interest rate.
- j) **Property, Plant & Equipment**
Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

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

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

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

 The estimated useful lives, residual values and depreciation method are reviewed at the year end, with the effect of any changes in estimate accounted for on a prospective basis.
- k) **Impairment of Financial Assets**
The Group has adopted the expected credit loss model for assessing impairment of financial assets. At each reporting date, the Group accounts for expected credit losses and changes in those credit losses to reflect changes in credit risk since initial recognition.

2 Statement of Significant Accounting Policies (continued)

- l) **Trade and Other Payables**
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Trade accounts payable are normally settled within 30 days. The carrying amounts of accounts payable represents net fair value.
- m) **Leases**
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period they are incurred.
- n) **Provisions**
Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will result and that out flow can be reliably measured.
- o) **Employee Entitlements**
Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the company has a present obligation to pay resulting from employees' services provided up to reporting date.
 - *Wages, salaries, and annual leave*

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

The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability.
 - *Superannuation*
Superannuation contributions by the Group on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Group has no legal obligation to provide benefits to employees on retirement.

2 Statement of Significant Accounting Policies (continued)

p) Financial Instruments

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

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

Classification and subsequent measurement of financial assets

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

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

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

The financial assets of the Group comprise trade receivables and other receivables. Trade receivables are generally due for settlement within 30 days.

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables and are measured subsequently at amortised cost using the effective interest method. Trade and other payables are unsecured and are usually paid within 30 days of recognition. All interest related charges are reported in profit or loss.

q) Goods and Services Tax (GST)

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

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

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

r) Adoption of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

AASB 9 Financial Instruments and related amending Standards

In the current year, the Group has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allows a Group not to restate comparatives. On adoption of the new standard there was no material change to retained earnings or the classification of financial assets and financial liabilities which continue to be measured at amortised cost.

2 Statement of Significant Accounting Policies (continued)

r) Adoption of new and revised Accounting Standards (continued)

AASB 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities, and impairment of financial assets. Details of these new requirements as well as their impact on the Group's financial statements are described below.

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 July 2018.

Classification and measurement of financial assets

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's financial assets comprise trade and other receivables, which continue to be measured at amortised cost.

Impairment of financial assets

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model ("ECL") requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Specifically, AASB 9 requires the Group to recognise a loss allowance for expected credit losses on trade receivables under the simplified approach for measuring the loss allowance at an amount equal to lifetime ECL.

Financial liabilities

The application of AASB 9 has had no impact on the classification and measurement of the Group's financial liabilities

s) Standards and interpretations in issue not yet adopted

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

Standard interpretation

	Effective for annual reporting periods beginning on or after	Applicability for year ended
AASB 16 Leases	1 January 2019	30 June 2020
AASB 1058 Income of Not-for-Profit Entities	1 January 2019	30 June 2020
AASB 15 Revenue from Contracts with Customers	1 January 2019	30 June 2020

Management are in the process of assessing the impact of above new standards to the Group.

2 Statement of Significant Accounting Policies (continued)**t) Critical accounting judgements and key sources of estimation uncertainty**

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

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

3 Financial Risk Management**Overview**

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

- credit risk
- liquidity risk
- market risk

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

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

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

Credit Risk

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

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

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

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

3 Financial Risk Management (continued)**Liquidity Risk**

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

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

Market Risk

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

	Group 2019 \$	Group 2018 \$
4 Revenue		
Operating Activities		
Expended Department of Health funds	30,951,366	38,882,116
Other revenue	5,143,327	6,159,511
	<u>36,094,693</u>	<u>45,041,627</u>
Other Income		
Expense recovery	11,168	40,938
Seminar registration fees	37,977	165,351
	<u>49,145</u>	<u>206,289</u>
Finance Income		
Interest on bank deposits	383,565	246,962
	<u>383,565</u>	<u>246,962</u>

	Group 2019 \$	Group 2018 \$
5 (Deficit)/Surplus for the Year		
The deficit before income tax expense has been determined after crediting/charging the following items of income and expense.		
Operational Expenses		
Travel – Note 1	482,226	945,956
Computers	822,584	764,178
Consumables	6,490	9,600
Communications	40,718	126,202
Data Processing, Printing and Distribution – Note 2	524,571	1,073,929
Support services - Note 3	499,348	1,043,796
Public affairs management (including major campaigns)	331,160	541,314
Contracts (including partners in program delivery)	615,638	705,729
Grants	25,427	47,795
Fees (consultant fees and others) – Note 4	2,436,660	3,366,648
	<u>5,784,822</u>	<u>8,625,147</u>
Employee Related Costs		
Wages	23,770,752	28,432,469
On costs	2,950,357	3,717,805
	<u>26,721,109</u>	<u>32,150,274</u>

Note 1: Combination of reduction of visiting topics and operation efficiency.

Note 2: Biennial National Medicine Symposium campaign held in 2018.

Note 3: Reclassification of mobile phones and copy machines costs in 2019 for better business alignment.

Note 4: Scale down on development work for MedicineWise App and MedicineInsight.

	Group 2019 \$	Group 2018 \$
5 (Deficit)/Surplus for the Year (continued)		
Overheads – Fixed Costs		
Premises	1,522,368	1,697,149
Administration	157,678	133,297
Insurances	151,934	139,693
Depreciation and Amortization (i)	<u>417,691</u>	<u>549,047</u>
	<u>2,249,671</u>	<u>2,519,186</u>
Overheads – Variable Costs		
Travel	219,596	238,441
Computers	787,997	689,341
Consumables- Note 3	209,004	55,271
Communications- Note 3	129,206	25,366
Distribution	9,159	14,325
Printing & design	53,672	1,812
Support services- Note 3	102,342	86,554
Public relations & media	183	-
Entertainment	58,338	92,156
Financial charges	14,244	15,305
Fees (consultant fees and others)	498,343	347,620
Fringe benefits tax	<u>5,266</u>	<u>2,568</u>
	<u>2,087,350</u>	<u>1,568,759</u>
Rental Expenses on Operating Leases	<u>1,212,301</u>	<u>1,448,909</u>
(i) Depreciation and Amortization		
Furniture & fittings	3,257	13,043
Office equipment	39,788	12,118
Leasehold improvements	27,290	15,760
Computer equipment	237,069	331,799
Computer software	83,213	176,327
Intangible Assets - Software	<u>27,074</u>	<u>-</u>
	<u>417,691</u>	<u>549,047</u>

	Group 2019 \$	Group 2018 \$
6 Auditor's Remuneration		
Auditing the financial report	<u>56,100</u>	<u>56,100</u>
7 Cash and Cash Equivalents		
Cheque account	504,924	844,063
Business investment account	1,349,082	2,578,832
Term deposits - maturing below 3 months	<u>3,000,000</u>	<u>7,200,000</u>
	<u>4,854,006</u>	<u>10,622,895</u>
Short term investment		
Term deposits - maturing over 3 months	<u>3,514,240</u>	<u>-</u>
	<u>3,514,240</u>	<u>-</u>
The effective interest rate on short-term bank deposits was 2.26% (2018: 2.42%). These deposits have an average maturity of 108 days.		
	Group 2019 \$	Group 2018 \$
8 Trade and Other Receivables		
Interest Receivable	45,910	32,151
Accounts Receivable	<u>2,918,171</u>	<u>1,307,045</u>
	<u>2,964,081</u>	<u>1,339,196</u>
No allowance has been made for expected credit loss for 2019 (2018: \$nil).		
	Group 2019 \$	Group 2018 \$
9 Other Assets Current		
Prepayments - other	624,036	570,883
Corporate gifts	<u>703</u>	<u>2,316</u>
	<u>624,739</u>	<u>573,199</u>

	Group 2019 \$	Group 2018 \$
9 Other Assets Non-Current		
Income Tax Refundable	42,871	42,871
Security deposit – other	200	200
	<u>43,071</u>	<u>43,071</u>
10 Property, Plant & Equipment Non-current		
Furniture & fittings - at cost	220,945	637,697
Accumulated depreciation	(216,679)	(630,174)
	<u>4,266</u>	<u>7,523</u>
Computer equipment – at cost	636,618	1,379,242
Accumulated depreciation	(296,961)	(1,027,547)
	<u>339,657</u>	<u>351,695</u>
Office equipment – at cost	178,560	138,877
Accumulated depreciation	(54,203)	(54,113)
	<u>124,357</u>	<u>84,764</u>
Leasehold improvements – at cost	65,194	1,306,763
Accumulated depreciation	(56,758)	(1,270,945)
	<u>8,436</u>	<u>35,818</u>
Computer software – at cost	102,362	1,029,251
Accumulated depreciation	(88,173)	(936,406)
	<u>14,189</u>	<u>92,845</u>
	<u>490,905</u>	<u>572,645</u>
Intangible Assets		
Intangible Assets – software – at cost	166,003	-
Accumulated depreciation	(27,074)	-
	<u>138,929</u>	<u>-</u>

10 Property, Plant & Equipment Non-current (Continued)**Movements in Carrying Amounts**

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

	<i>Furniture & fittings</i>	<i>Computer Equipment</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Software</i>	<i>Intangible Assets</i>	<i>Total</i>
Balance at the beginning of year	7,523	351,695	84,764	35,818	92,845	-	572,645
Additions	-	228,552	79,381	-	4,929	166,003	478,865
Disposals		(3,521)	-	(92)	(372)	-	(3,985)
Depreciation expense	(3,257)	(237,069)	(39,788)	(27,290)	(83,213)	(27,074)	(417,691)
Carrying amount at the end of the year	<u>4,266</u>	<u>339,657</u>	<u>124,357</u>	<u>8,436</u>	<u>14,189</u>	<u>138,929</u>	<u>629,834</u>

	Group 2019 \$	Group 2018 \$
11 Trade and Other Payables		
Creditors	2,227,603	1,286,147
Accruals	432,778	570,480
Superannuation payable	251,775	426,140
Net GST liability	2,969	948,412
Prepaid income (i)	2,873,422	1,768,655
PAYG payable	10,340	231,518
	<u>5,798,887</u>	<u>5,231,352</u>
(i) Prepaid Income		
Department of Health Prepaid income	(1,474)	13,642
Other Prepaid income	2,874,896	1,755,013
	<u>2,873,422</u>	<u>1,768,655</u>

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

	Group 2019 \$	Group 2018 \$
12 Provisions		
Current		
Provisions for annual leave	1,507,509	1,916,573
Provisions for long service leave	774,162	820,256
Provision for lease restoration costs	90,171	166,844
	<u>2,371,842</u>	<u>2,903,673</u>
Non-Current		
Provision for lease restoration costs	272,905	355,580
Provision for long service leave	695,150	853,665
	<u>968,055</u>	<u>1,209,245</u>

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

	Group 2019 \$	Group 2018 \$
13 Retained Earnings		
Balance at the beginning of the financial year	3,806,736	3,175,224
(Deficit)/Surplus for the year	(315,549)	631,512
Balance at the end of the financial year	<u>3,491,187</u>	<u>3,806,736</u>

14 Members Guarantees

The Group is limited by guarantee. In the event of winding-up, the Group Constitution requires each member to contribute a maximum of \$50 towards meeting any outstanding obligations of the Group. The number of members as at 30 June 2019 was 45 (2018: 45).

15 Cash flow information

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

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

	Group 2019 \$	Group 2018 \$
(Deficit)/Surplus for the year	(315,549)	631,512
Depreciation and amortization	417,691	549,047
Changes in Working Capital: assets and liabilities:		
(Increase) in trade and other receivables	(1,624,885)	(331,446)
(Increase)/Decrease in other assets	(51,540)	191,814
(Decrease)/Increase in trade and other payables	567,535	(498,128)
(Decrease)/ Increase in provisions	(773,021)	407,706
Net cash (used in)/generated by operating activities	<u>(1,779,769)</u>	<u>950,505</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

16 Key management personnel disclosures

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

	Group 2019 \$	Group 2018 \$
Transactions with key management personnel		
Key Management Personnel Compensation		
Short-term employee benefits	476,566	517,792
	<u>476,566</u>	<u>517,792</u>

17 Economic Dependency

The Group's ongoing operations are dependent on continuation of contractual arrangements with the Australian Government Department of Health. There is no signed contract beyond 31 December 2019, but the Australian Government Department of Health have provided a written undertaking to continue funding until 2022.

18 Segment Information

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

19 Capital and Leasing Commitments

Operating Lease Commitments

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

	Group 2019 \$	Group 2018 \$
Payable:		
Not later than one year	1,729,268	1,722,938
Later than one but not later than five years	772,717	517,644
	<u>2,501,985</u>	<u>2,240,582</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

20 Financial Instruments**a) Credit Risk**

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

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

Impairment losses

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

b) Liquidity Risk

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

30 June 2019

	Carrying amount \$	6 months or less \$
Non-derivative financial liabilities		
Trade and other payables	2,227,603	2,227,603
	<u>2,227,603</u>	<u>2,227,603</u>

30 June 2018

	Carrying amount \$	6 months or less \$
Non-derivative financial liabilities		
Trade and other payables	1,210,992	1,210,992
	<u>1,210,992</u>	<u>1,210,992</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

20 Financial Instruments (continued)**c) Interest Rate Risk**

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

	Group 2019 \$	Group 2018 \$
Fixed rate instruments		
Financial assets	6,514,240	7,200,000
	<u>6,514,240</u>	<u>7,200,000</u>
Variable rate instruments		
Financial assets	1,854,006	3,422,895
	<u>1,854,006</u>	<u>3,422,895</u>

Fair value sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have increased the Group's equity and profit by \$18,540 (2018: \$34,229).

21 Related Party Transactions**a) Key management personnel compensation**

Details of key management personnel compensation are disclosed in note 16 to the financial statements.

b) Transactions with other related parties

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

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

During 2018-19 financial year, following intercompany transactions incurred between NPS MedicineWise and VentureWise and they were eliminated on consolidation in the Group financial statements:

- o VentureWise commissioned \$1,328,782 of services to NPS MedicineWise and paid NPS MedicineWise \$1,328,782 for these services.
- o VentureWise made a repayment of \$100,000 Intercompany Loan to NPS MedicineWise. As a result, the balance of Intercompany Loan facility reduced to \$398,207 for the year ended 30 June 2019 (2018: \$498,207).
- o VentureWise shared costs of \$245,174 with NPS MedicineWise for recovery of overheads staff time and insurance.
- o VentureWise paid \$20,594 of Interest to MedicineWise on using the Intercompany Loan facility.

22 Parent Entity Information

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

	Company 2019 \$	Company 2018 \$
Current Assets	11,649,292	12,512,018
Non-Current Assets	630,034	572,187
Total Assets	<u>12,279,326</u>	<u>13,084,205</u>
Current Liabilities	7,603,960	7,575,957
Non-Current Liabilities	933,233	1,353,962
Total Liabilities	<u>8,537,183</u>	<u>8,929,919</u>
Net Assets	<u>3,742,143</u>	<u>4,154,286</u>
Retained Earnings	3,742,143	4,154,286
Total Equity	<u>3,742,143</u>	<u>4,154,286</u>
(Deficit)/Surplus for the Year	(412,143)	378,214
Other Comprehensive Income for the Year	-	-
Total Comprehensive Income for the Year	<u>(412,143)</u>	<u>378,214</u>

23 Subsequent Events

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

24 Group Details

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

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

The Group's Auditors are:
DeloitteToucheTohmatsu
Grosvenor Place, 225 George Street,
Sydney NSW 2000, Australia

The principal places of business of the Group are:

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

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

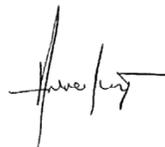
Melbourne:
National Prescribing Service Limited (NPS MedicineWise)
C/O the Hub, 162 Collins Street
Melbourne VIC 3000

The directors declare that:

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

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

On behalf of the Directors



Andrew Knight
Chair of National Prescribing Service Limited



Winston Liauw
Director & Chair of the Audit and Risk Committee

Dated at Sydney:

4th October 2019

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

Opinion

We have audited the financial report of National Prescribing Service Ltd and its subsidiary (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration of the consolidated Group, comprising the entity and the entity it controlled at the year's end or from time to time during the financial year as set out on pages 9 to 34.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the ACNC Act, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

The Directors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

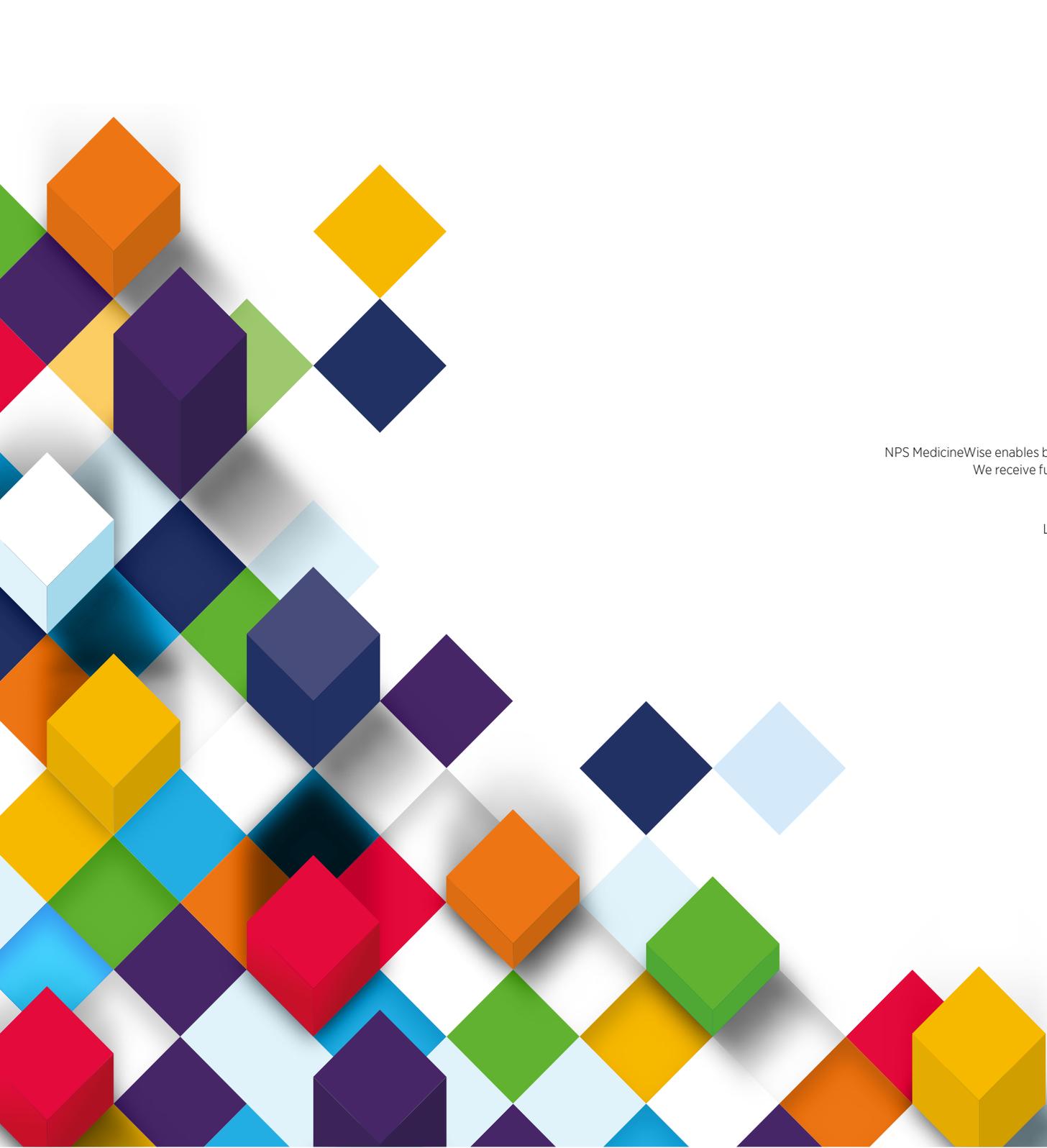
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



Gaile Timperley
Partner
Chartered Accountants
Sydney, 4 October 2019



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Independent, not-for-profit and evidence-based,
NPS MedicineWise enables better decisions about medicines, medical tests and other health technologies.
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