

NATIONAL PRODUCT CATALOGUE

Industry Announcement

30 June 2006

Australia's Federal, State and Territory health departments have now signed up to purchase their public health supplies through the National Product Catalogue.

The National Product Catalogue (NPC) will allow public health institutions in all States and Territories to obtain essential information about the medicines, medical devices and healthcare products they use, from the one electronic source. The NPC will also hold information about non-medical products, such as office supplies and food items, therefore becoming *the* source of purchasing information in the public health system.

Information and training sessions for the supply industry have already commenced, with some of Australia's largest pharmaceutical and medical device suppliers – including Pfizer Australia, Kimberley-Clark, Smith-Nephew Surgical and 3M having already received training in how to place their products on the NPC. Further information and training sessions will be held in 2006.

Better Procurement in Health

The NPC will deliver significant benefits to governments and suppliers alike. With the NPC, the number of products incorrectly ordered because of identification errors – potentially delaying the treatment of a patient – will reduce significantly.

Other benefits of the NPC include:

- Removing the need for inefficient 'paper-based' purchasing forms and product specification sheets; information can be automatically updated for all current and potential customers, with a simple upload
- Reducing costs associated with processing invoice reconciliations, credit claims, returns and refused deliveries, because of the reduced rate of ordering errors (which can occur for example from outdated information, or customers copying the wrong product number onto a form)
- Swift product recalls and precise product tracking
- Decreasing 'out-of-stocks' and working capital tied up in 'safety' stocks, and

- Significantly reducing the time and costs associated with introducing new products onto the market.

Suppliers are asked to have their product information available on the NPC by June 2007. Companies are encouraged to train their staff in the NPC as soon as possible, so the public health system can access it as soon as possible.

Central to the development of the NPC have been the following supplier issues.

Pricing Security

Access to pricing information is clearly an issue of significant commercial concern. Therefore, the NPC *ensures* that it is the supplier who nominates the recipient of pricing information, subject to the agreed terms and conditions between the trading parties. For example, if you have a confidentiality clause in your contract that prevents the purchaser from disclosing pricing information to third parties, this is still valid and enforceable in the NPC.

There is no single Government agency who has access to all of the data held on the NPC.

The company that administers the NPC is GS1 Australia, a not-for-profit, member-based company and locally administers the global, multi-industry system of identification and communication for products, services, assets and locations. GS1 numbers and bar codes permit organisations of any size to order, track, trace, deliver and pay for goods across the supply chain, anywhere in the world.

Pricing information (including detailed allowances, charges, temporary price reductions, special deals, etc) is already being loaded onto EANnet (the platform for the NPC) by large multinational suppliers in the grocery industry for companies such as Coles and Woolworths (Safeway). Such information is protected by rigorous security measures.

These companies include the likes of Coca-Cola, Cadbury, Lion Nathan, Unilever, British American Tobacco and others. These are all competitive organisations, with commercially sensitive pricing information, who have approved EANnet as being a safe and secure means of conveying pricing information.

Alignment with Industry Practices

There is currently no requirement for the relabelling, over-labelling or renumbering of products numbered by a different standard to the one used by the NPC (the Global Trade Item Number or GTIN standard). A GTIN must be assigned to all products (at all levels of packaging) supplied to the public health sector via the NPC, however this does not require the physical labelling of the product with a bar code containing the GTIN.

The NPC has fields for more than one identifier and, therefore, the capacity to cross reference current product identifiers to integrate with existing systems. For example, companies who are currently using the HIBCC product identifier can also load these into the NPC as additional product identifiers. The HIBCC identifier is then the link to the GTIN.

The NPC does not require information outside of that which is already being provided to purchasers. There is no requirement for companies to modify their existing information systems in order to load data onto the NPC. Companies may simply provide their product information directly to the NPC in a non-integrated way, e.g. by manually keying in their data or by uploading an Excel spreadsheet.

The NPC does provide companies with the option to fully integrate with their existing systems, if desired. The NPC offers a number of advanced, machine-to-machine, and automated interface options to companies for loading and maintaining their data on the NPC. Companies using the NPC can choose to use these advanced options.

Minimising Fees and Costs

Companies that need to join GS1 Australia and use the GS1 Standards **only for the purposes of the NPC** will need only pay the following membership fees, regardless of their annual turnover and the number of GTINs required:

- Current joining fee of \$550 plus GST
- Current annual fee of \$580 plus GST

In addition, there are EANnet fees, being a flat fee per GTIN per quarter. These fees are capped based on the annual Australian revenue of the member company, which limits the costs to companies with a large number of GTINs. Companies can calculate their actual fees online, at:

www.gs1au.org/services/eannet/fees/_fees.asp.

Ongoing Consultation

The National E-Health Transition Authority Limited (NEHTA) is working with industry throughout the rollout of the NPC. NEHTA will meet with industry peak bodies regularly to make sure that industry issues are addressed and industry is well informed of progress with the NPC. NEHTA also welcomes direct contact from companies and will look to gain company input and feedback.

NEHTA and Australia's Federal, State and Territory health departments consider that the National Product Catalogue will create significant benefits to both suppliers and purchasers, and we are committed to working closely with industry to achieve this.

Further Information

For further information on information and training sessions, visit the NPC training event information at www.gs1au.org/events.

For general information on the NPC, email supplychain@nehta.gov.au.

Who is NEHTA?

NEHTA is a not-for-profit company established by the Australian, State and Territory governments to develop better ways of electronically collecting and securely exchanging health information.

On 8 December 2005 the NEHTA Board, consisting of the heads of all Australian health departments, approved the implementation of a National Product Catalogue on EANnet, hosted by GS1 Australia.

NEHTA is also investigating the following as enablers of greater efficiency in the public health system:

- An e-procurement hub to facilitate relevant data transfer between public health buying agencies and suppliers; and
- Business intelligence tools to further enhance analysis and reporting.