



JOINT MEDIA RELEASE

The Australian Healthcare Industry Data Crunch Report reveals the high cost of bad quality data

AUD\$30 million - AUD\$100 million savings opportunity for Australia's healthcare industry, with analytics from supply chain experts including MTAA, NEHTA, RMIT and GS1 Australia.

FOR IMMEDIATE RELEASE Wednesday 19th March 2014:

The latest industry research study [‘The Australian Healthcare Industry Data Crunch Report’](#) reveals the impact of inaccurate and inconsistent data across the Australian healthcare industry and the effect on patient safety.

The report highlights a range of areas where further adoption of the [GS1 System of global standards](#) and the [National Product Catalogue \(NPC\)](#) can significantly improve data quality, leading to savings of between AUD\$30 million - AUD\$100 million per annum.

Key findings include unnecessary spending in the following areas:

- **Procurement:** Estimate of AUD\$8.8million spent on resource to manually check unit of measure data in purchase orders, and an estimated AUD\$4.37 million expended to ship emergency deliveries due to under supply.
- **External logistics:** Estimate of AUD\$6.98 million used by different supply chain partners to collect weights and dimensions for the same products.
- **Reimbursement of prostheses:** Estimate of AUD\$1.26 million spent for clarifying prostheses rebate codes while an approximate AUD\$8.75 million is lost in revenue from the unclaimed joint replacement prostheses.

GS1 Australia's CEO, Maria Palazzolo says, "We would like to thank the stakeholders and participants for their valuable contribution to this important project. GS1 Australia remains committed to the implementation of GS1 standards and industry's use of the NPC to improve patient safety and supply chain efficiencies in Australia's healthcare industry."

The study was commissioned by the healthcare industry with the support of the National E-Health Transition Authority Supply Chain Reform Group (NEHTA SCRG) to focus attention on the need for continuous data quality improvement in healthcare.

Mark Brommeyer, Supply Chain Manager at NEHTA said, "With more than 300,000 records currently on the NPC and growing at a steady rate, industry clearly understands the benefit of accurate data across the healthcare supply chain. This report provides the impetus for the next step change in data quality."



Statistical analysis and the identification of key findings were conducted in collaboration with representatives from supplier organisations, health governments, [GS1 Australia](#), the [Medical Technical Association of Australia \(MTAA\)](#), [NEHTA SCRG](#), and the [School of Business IT and Logistics at RMIT University](#).

“We already knew anecdotally that inconsistent data has detrimental effects on efficiency and accuracy through the healthcare supply chain globally and this study in Australia has further confirmed this issue through key findings,” commented Professor Caroline Chan, Head of School, Business IT and Logistics at RMIT University.

“For the Australian healthcare industry to benefit from the findings of this report, we need to follow-up with action. The participants in the study encourage all suppliers and buyers to adopt the NPC,” added Susi Tegen, Chief Executive at MTAA.

The Australian healthcare sector is an AUD\$120 billion-plus growing industry with an increasing population that needs efficient healthcare supply chain practices. Bad quality of data has no place in the Australian healthcare community. The importance of quality product data in the Australian healthcare supply chain is critical to deliver accurate outcomes for patient safety. Accurate healthcare supply chain data is essential to deliver the right product to the right patient at the right time.

About GS1 Australia

GS1 Australia is the Australian member of the global GS1 organisation that administers the GS1 System of supply chain standards in Australia. It currently serves 22 industry sectors and assists 17,000 member companies nationally to enhance their efficiency and cost effectiveness by adopting best practice GS1 global supply chain standards and services. For more information visit www.gs1au.org

About MTAA

The Medical Technology Association of Australia (MTAA) is the national association representing companies in the medical technology industry. MTAA aims to ensure the benefits of modern, innovative and reliable medical technology are delivered effectively to provide better health outcomes to the Australian community. For more information visit www.mtaa.org.au

About NEHTA

The National E-Health Transition Authority (NEHTA) has been tasked by the governments of Australia to develop better ways of electronically collecting and securely exchanging health information and is the lead organisation supporting the national vision for eHealth in Australia. For more information, please see www.nehta.gov.au



About School of Business IT and Logistics, RMIT University

The School of Business IT and Logistics, situated in Melbourne's Central Business District, is one of six schools within the College of Business and recognised throughout the Asia Pacific region as a leader in the provision of education for the Information Systems, Business IT, Information Management, and in Logistics and Supply Chain Management professions. For more information visit www.rmit.edu.au

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