Health Network Northern Territory Ltd

ABN 17 158 970 480

30 June 2024

Annual Financial Report

Contact Details

23 Albatross Street
Winnellie
NT 0820

National Remote Health Precinct
5 Skinner Street
Alice Springs
NT 0870

www.ntphn.org.au

GPO Box 2562
Darwin
NT 0801

PO Box 1195
Alice Springs
NT 0871

t 08 8982 1000
f 08 8981 5899

t 08 8950 4800
f 08 8952 3536

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

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Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

Corporate Information

Directors

The following Directors were in office during the financial year ended 30 June 2024

- Mr John Rawnsley – Board Chair
- Mr David Blair – Deputy Chair
- Ms Heather D'Antoine
- Dr Samuel Goodwin
- Dr John Paterson (resigned on 31 July 2023)
- Ms Liza Houghton
- Ms Susan Korner (appointed on 27 November 2023)
- Ms Helen Bowden (appointed on 27 November 2023)

For further details regarding the qualifications, experience, and other pertinent information of the Directors who held office at any point during the financial year, please refer to pages 5 to 11.

Registered Office
23 Albatross Street, Winnellie Northern Territory 0820

Principal Place of Business
23 Albatross Street, Winnellie Northern Territory 0820

Bankers
National Australia Bank
71 Smith Street, Darwin Northern Territory 0800

Auditors
PKF Merit
Chartered Accountants
Level 2, 9-11 Cavanagh Street, Darwin Northern Territory 0800

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

Directors' Report

The Directors are presenting the financial report of Health Network Northern Territory Ltd ("the Company" or "Health Network NT"), also known as Northern Territory PHN, including the Rural Workforce Agency NT, for the year ending June 30, 2024. The auditor's report is included as well.

1. Directors

Below are the information on the Company's Directors who have served at any point during or after the financial year, including their qualifications, experience, and special responsibilities. The Northern Territory PHN Committee and Council memberships are as at year end.

Mr John Rawnsley (Chair)
John Rawnsley holds an LLB, BAIS, GDLP and is a graduate of the Australian Institute of Company Directors. He was appointed to the Board on 10 November 2015, and later became the Chair on November 29, 2021. He served as a Senior Policy Advisor to NT Minister Selena Uibo. Prior to this, John worked as the Law and Justice Manager at the North Australian Aboriginal Justice Agency and held various legal roles, including leadership development. In addition to his role as Chair, John is also a director of the Larrakia Development Corporation, Winkiku Rrumbangi NT Indigenous Lawyers Aboriginal Corporation, and Rockpools and Ochre Aboriginal Corporation. He chairs the Smith Family's Aboriginal and Torres Strait Islander Advisory Group, where he has been a member since 2011. Furthermore, John is a member of the Advisory Board of the Poche Centre with Flinders University and serves as the Co-Chair of Poche Centre with Flinders University. He is also a member of the Finance, Audit & Risk Management Committee and the Nominations Committee of the Northern Territory PHN Committee.
Mr David Blair (Deputy Chair)
David Blair is a highly qualified and experienced professional with a BSc Joint Honours in Science and certifications in Risk Management and Assurance, Internal Control, and Governance and Risk Management. He is a Fellow of several prestigious institutes, including the Institute of Chartered Accountants in England and Wales, the Governance Institute of Australia, and the Chartered Institute of Company Secretaries. Additionally, he is a graduate of the Australian Institute of Company Directors. Since 29 November 2021, David has been appointed to the Board as the Deputy Chair, after having joined on 30 November 2020. With a remarkable track record in finance, risk management, governance, and business, he currently serves as the Head of Corporate Services at Danila-Dilba Heath Services in Darwin. Prior to this, David held several executive positions, including Chief Operating Officer at Menzies School of Health Research and Chief Financial Officer of Kolsen Group. He also served as Chief Operating Officer of New Chapters New Beginnings. Furthermore, David is an experienced Director, having previously sat on the Boards of Lifeline Top End, Melaleuca Refuge Centre, and the Northern Centre for Contemporary Art. In addition, he served as a public member of the AHPRA Physiotherapist Board in NT.

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Currently, David is a Board member of St John Ambulance Australia (NT) an independent member of Audit & Risk Management Committee of Tiwi Island Regional Council and an independent member of Finance, Audit & Risk management Committee, Consumer Health Forum.

As a Chair of Finance, Audit and Risk Management Committee and Governance Committee, David also maintains Northern Territory PHN Committee/Council Memberships.

Ms Heather D'Antoine

Heather D'Antoine, who has a Diploma in Midwifery, a Diploma in Nursing, a Bachelor of Applied Science, and a Master of Health Economics (Aboriginal Health), was appointed to the Board on 28 August 2017. With over 25 years of experience, she started as a registered midwife and nurse, then became a manager for health services in both Aboriginal and general health services. For the past 18 years, she has dedicated herself to health research. For ten years, Heather served as the Associate Director for Aboriginal Programs and Division Leader of Education and Capacity Building at Menzies School of Health Research, where she was a member of the Executive Committee. She continues to be a Distinguished Honorary Fellow at Menzies School of Health Research.

Heather's research is focused on maternal and child health, with a particular interest in fetal alcohol spectrum disorders (FASD) and other birth defects. She helped develop and assess resources for health professionals and developed a FASD care model in Western Australia. She is also a member of the Public Health Association of Australia and the Aboriginal Advisory Group for Flinders University.

Currently, Heather is the Manager for National Aboriginal and Torres Strait Islander Research at University of Queensland. She is also the Chair of Central Australian Academic Health Science Network.

Heather is a member of the Governance Committee, Community Advisory Council, and Rural Workforce Agency NT Committee for the Northern Territory PHN.

Dr Samuel Goodwin

Dr. Samuel Goodwin is a highly qualified medical professional with an MBBS degree, a JCCA (Anaesthetics) certification, and a fellowship from the Australian College of Rural and Remote Medicine. He has also graduated from the Australian Institute of Company Directors and holds an MPHTM degree.

Since 14 August 2015, Dr. Goodwin has served as a board member. He currently holds the position of Executive Director of Medical and Clinical Services at Alice Springs Hospital, Central Australia Health Service. Dr. Goodwin has been dedicated to rural generalism for the past ten years, primarily working in remote areas. He continues to work as a general practitioner at Central Clinic in Alice Springs while specializing in health system governance.

Dr. Goodwin is a member of the CDU Menzies School of Medicine Board.

He serves on the Northern Territory PHN Committee/Council, including the Finance, Audit and Risk Management Committee, the Rural Workforce Agency NT Committee and the Nominations Committee.

Ms Liza Houghton

Liza is a highly qualified individual with numerous certifications and degrees, including GAICD, Fellow Australasian College Health Service Management, MBA, Graduate Diploma Nurse Education, Graduate Certificate Critical Care, and Bachelor Applied Science (Nursing).

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Annual Financial Report for the Year Ended 30 June 2024

Liza has undertaken key roles in reviewing or establishing governance frameworks, structures and policies including in primary health care and Aboriginal Health Services in the Northern Territory as an independent management consultant.

She has a background as a Registered Nurse with extensive experience working with multidisciplinary and allied health teams across the health sector. Professional skills and experience include strategy and policy development; financial and risk management; not-for-profit corporate and clinical governance; Primary Health Care; and Aboriginal Community Controlled Health services.

Moreover, Liza has previously held several Board Directorships, including Chair of Variety, the Children's Charity Northern Territory, Non-executive Director of Variety Australia, and Triathlon Northern Territory. Additionally, she facilitates NT study groups and examines the Fellowship program for the Australasian College Health Service Management, as well as mentors in the NT Health Leadership Program.

Currently, she is also an independent Director for Red Lily Health Board and a non-executive Director for Amaroo Care Services Inc.

Furthermore, Liza is a member of various Northern Territory PHN Committees and Councils, including the RWA NT Committee, Governance Committee, and Clinical Council.

Dr John Paterson

John Paterson brings a wealth of experience and qualifications to his role as a board member, having earned a Bachelor of Social Science in Human Service, a Fellowship with the Australian Rural Leadership Foundation, and an Honorary Doctor of Arts from Charles Darwin University. He was appointed to the Board on 30 November 2020.

John has dedicated his career to Indigenous affairs, with a specific focus on healthcare since 2005. He has served as the Chief Executive Officer of AMSANT (Aboriginal Medical Services Alliance Northern Territory) since 2006 and was previously the CEO of Wurli-Wurlinjang Health Service in Katherine.

John is an experienced Director, having previously served on the Board of the National Aboriginal Community Controlled Health Organisation (NACCHO), the NT Hospital Management Board, and Thirrili. He is also a member of the Coalition of Peaks on the Joint Council for Closing the Gap and co-chair of the NT Closing the Gap Executive Council. Currently, John holds the position of Chair of the Central Australian Academic Health Science Network, is a member of the Telstra Indigenous Advisory Committee, and a Board Member at CDU Menzies School of Medicine.

John is affiliated with the Ngalakan tribe from the Ngukurr region in south-east Arnhem Land. As a member of the Northern Territory PHN Committee/Council Memberships, he served on the Governance Committee.

Ms Susan Korner

Susan (Sue) holds a Post Grad Diploma in Public Sector Executive Management and is a Member Australian Institute Company Directors

With more than 30 years of senior and executive management experience across primary, public, and tertiary healthcare in the Northern Territory, covering both government and non-government sectors, Sue has made substantial contributions to the healthcare landscape.

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Most recently, she served as the Chief Operating Officer of Central Australia Health Service for 6 years, after being appointed to the CAHS board. In addition, Sue has garnered over 20 years of experience in the private sector by co-owning and operating a touring company with her husband. Currently, she is also a community member of NT Judicial Commission and the Governor of Bill Raby Foundation. Furthermore, Sue is a member of Governance Committee, and Finance, Audit and Risk Management Committee.
Ms Helen Bowden
Helen is a pharmacist having completed Bachelor Pharmacy (BPharm) and Masters Public Health (MPH). Helen brings a wealth of experience to the NT PHN board as a pharmacist with a varied experience in primary healthcare across the Northern Territory. Her diverse background encompasses roles in community pharmacy management, workforce development initiatives, quality improvement programs, remote primary health care delivery, and as an educator and implementation of medication management programs across a range of settings including aged care. With an eye for detail and an interest in collaboration, Helen has made significant contributions to pharmaceutical services, including her involvement in the implementation of pharmacist vaccination services across the Northern Territory. Now living and working in a remote community, Helen continues to build upon her extensive knowledge of primary health care provision and maintain her tireless dedication to improving healthcare outcomes. Currently, she is an independent contractor for Choice Aged Care and is also associated with Xavier Catholic College Wurrumiyanga. Furthermore, Helen is a member of the RWA NT Committee.

2. Chief Executive Officer (CEO), Company Secretary and Public Officer

The following officers were in office during the financial year ended 30 June 2024 and up to the date of this report:

Chief Executive Officer

Ms Gillian Yearsley (M.A., GAICD)

Company Secretary

Ms Nutisha Todi (B.L.S, LLB, MGB, AGIA, ACG)

Public Officer / Chief Financial Officer

Ms Jessica Dooley (BBus, CA)

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3. Directors' Meetings

The number of Directors' meetings attended by each of the Directors of Health Network NT during the financial year are:

Director	Board Meetings	
	Number of meetings held/eligible to attend	Number of meetings attended
John Rawnsley (Chair)	8	8
David Blair (Deputy Chair)	8	7
Heather D'Antoine	8	8
Dr Samuel Goodwin	8	7
Dr John Paterson (resigned on 31 July 2023)	0	0
Ms Liza Houghton	8	8
Ms Susan Korner (appointed on 27 November 2023)	4	4
Ms Helen Bowden (appointed on 27 November 2023)	4	3

4. Planning and Activities

Principal Activities

Health Network Northern Territory Ltd, which is also known as Northern Territory PHN and the Rural Workforce Agency NT, is a not-for-profit company limited by guarantee and a registered charity under the *Australian Charities and Not-for-profit Commission Act 2012 (Cth)*. The independent skills-based Board, appointed by Health Network NT's Members at General Meetings, oversees the Company's operations.

Being part of the Primary Health Network ("PHN") established by Australian Government, the Company is expected to coordinate primary health care delivery and to address local health care needs and service gaps. Further, the Company's role and performance is influenced by government policies at the Australian, State, Territory, and Local Council levels. The Company is focus on national priority areas such as mental health, Aboriginal and Torres Strait Islander health, population health, digital health, health workforce, aged care, and alcohol and other drugs. Its goal is to improve the efficiency and effectiveness of medical services for patients, especially those at risk of poor health outcomes, and to enhance coordination of care to ensure patients receive timely and appropriate care.

As a PHN, the Company do not provide services directly to people, instead, it works directly with service providers through a comprehensive primary health care service model to coordinate

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care across the Northern Territory. The Company also includes the Rural Workforce Agency Northern Territory, which helps the Company attract, recruit, educate, and retain a professional medical workforce across the Northern Territory.

Short-Term Objectives

Health Network NT has established short-term objectives in its Strategic Plan for the years 2018-2023 and is dedicated in achieving its vision and purpose by focusing on the following key strategic objectives:

a) Empowering individuals to take responsibility for their own health and well-being.
b) Addressing health equity issues by identifying those with the most significant health needs and improving access to primary health care.
c) Providing health care providers the ability to deliver high-quality health care.
d) Leading primary health care system integration through effective partnerships.

Its strategic objectives are supported by excellent corporate governance, a committed and aligned workforce, and successful stakeholder engagement.

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Long-Term Objectives

The long-term objectives of Health Network NT are set out in Clause 2, Objects of the Constitution. Among others, these includes:

a) Support the efficiency and effectiveness of medical and health services for patients, particularly those at risk of poor health outcomes.
b) Improve coordination of care so that patients receive the right care in the right place at the right time.
c) Improve health outcomes for Aboriginal people through comprehensive primary health services.
d) Support and strengthen Aboriginal community control of comprehensive Primary Health Care.
e) Support and strengthen the role of the general practice and allied health sectors in comprehensive Primary Health Care.
f) Engage with all health providers and the community to identify local health needs and regional service gaps.
g) Increase equitable health outcomes by commissioning and supporting Primary Health Care services and promoting Primary Health Care initiatives and programs.
h) Support clinicians and service providers to deliver best practice care.
i) Deliver and promote high quality education and inter-professional learning opportunities for Primary Health Care providers.
j) Support the attraction and retention of a sustainable qualified Primary Health Care workforce which providers culturally appropriate comprehensive Primary Health Care.
k) Support the integration of the primary and secondary health care sectors to improve the patient journey.

Strategy

Strategies for achievement of long term and short-term objectives are set out in the Strategic Plan 2018-2023 and are reflected in annual work plans and program planning.

NT PHN unveiled its Strategic Plan for 2024-29 on 27 May 2024, with implementation set to commence in FY 2024-25.

Performance Measurement

The Company CEO is required to report to the Board on a regular basis, against the achievement of objects included in the Strategic Plan 2018-2023. Reporting also includes the progress of principal activities and reporting of risks and opportunities.

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5. Environmental Issues

Health Network NT operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of a State or Territory.

6. Indemnification of Officer or Directors

Health Network NT has paid an annual premium to insure the directors and officers against any liabilities that may arise while performing their duties. The details of the premium are confidential as per the policy.

7. Proceedings on Behalf of Company

No individual has requested permission from the court to file a lawsuit on behalf of the company or participate in any ongoing legal proceedings involving the company. Additionally, the Company did not participate in any such legal proceedings throughout the year.

8. Members' Guarantee

In accordance with Health Network NT's Constitution, each member is liable to contribute not more than $50 in the event that the company is wound up.

9. Events Subsequent to Reporting Date

There has not been any matter or circumstance occurring subsequent to the end of the reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

10. Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 38 and forms part of the Directors' report for the financial year ended 30 June 2024.

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

Mr John Rawnsley
Director and Chair, Health Network Northern Territory Ltd
Dated at Darwin this 21st day of October 2024

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

The Statement of Comprehensive Income is to be read in conjunction with the attached notes.

Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue			
Grant income	4	**92,826,957**	86,387,191
Non-grant income	4	**175,906**	96,067
Interest income	4	**1,968,498**	1,052,475
Total Revenue		**94,971,361**	87,535,733
Operating Expenses			
Employee expenses	5	**13,229,486**	12,766,882
Governance expenses		**325,426**	299,541
Occupancy expenses		**196,427**	223,993
Depreciation	9	**393,389**	403,606
Interest expenses		**23,720**	53,163
Travel and accommodation		**503,704**	429,897
Administration expenses		**3,229,626**	4,096,577
Direct program expenses		**76,915,491**	69,021,451
Total Expenditure		**94,817,269**	87,295,110
Net Surplus for the year		**154,092**	240,623
Other comprehensive income		**-**	-
Total comprehensive Income for the year		**154,902**	240,623

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

The Statement of Financial Position is to be read in conjunction with the attached notes.

Statement of Financial Position

As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current			
Cash and cash equivalents	6	**41,899,098**	35,526,066
Trade and other receivables	7	**573,549**	408,172
Other current assets	8	**2,249,790**	1,914,877
Total current assets		**44,722,437**	37,839,115
Non-Current			
Property, plant and equipment	9	**793,676**	1,230,296
Total non-current assets		**763,676**	1,230,296
Total assets		**45,516,113**	39,069,412
Liabilities			
Current			
Trade and other payables	10	**8,934,659**	5,980,571
Employee benefits	11	**1,351,820**	1,144,948
Unearned grant income	12	**27,440,771**	25,645,616
Lease liabilities	13	**389,984**	426,889
Total current liabilities		**38,117,234**	33,198,023
Non-Current			
Employee benefits	11	**184,748**	144,578
Unearned grant income	12	**3,550,185**	1,816,071
Lease liabilities	13	**503,742**	904,628
Total non-current liabilities		**4,238,675**	2,865,277
Total liabilities		**42,355,909**	36,063,300
Net assets		**3,160,204**	3,006,112
Equity			
Retained Earnings		**2,544,401**	2,390,309
Strategic Initiatives Reserves		**615,803**	615,803
Total equity attributable to members of the Company		**3,160,204**	3,006,112

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The Statement of Changes in Equity is to be read in conjunction with the attached notes.

Statement of Changes in Equity

For the year ended 30 June 2024

	Strategic Initiatives Reserves $	Retained Earnings $	**Total** $
Balance at 1 July 2022	615,803	2,149,686	**2,765,489**
Net Surplus for the year	-	240,623	**240,623**
Other comprehensive income	-	-	**-**
Total comprehensive income for the year	-	240,623	**240,623**
Total transactions with members	-	-	**-**
Balance at 30 June 2023	615,803	2,390,309	**3,006,112**
Balance at 1 July 2023	615,803	2,390,309	**3,006,112**
Net Surplus for the year	-	154,092	**154,092**
Other comprehensive income	-	-	**-**
Total comprehensive income for the year	-	154,092	**154,092**
Total transactions with members	-	-	**-**
Balance at 30 June 2024	615,803	2,544,401	**3,160,204**

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The Statement of Cash Flows is to be read in conjunction with the attached notes.

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024	2023
		$	$
Cash flows from operating activities			
Cash receipts from customers		**3,866,891**	8,701,035
Cash receipts from funding bodies		**102,253,063**	92,466,301
Interest received		**2,270,198**	772,464
Cash payments to employees		**(10,368,715)**	(9,606,241)
Cash payments to suppliers		**(91,207,129)**	(89,804,435)
Net cash from operating activities	15	**6,814,308**	2,592,124
Cash flows from investing activities			
Additions to property, plant and equipment		**-**	-
Net cash from/(used in) investing activities		**-**	-
Cash flows from financing activities			
Finance lease principal payments	13	**(441,276)**	(380,401)
Net cash used in financing activities		**(441,276)**	(380,401)
Net increase in cash and cash equivalents		**6,373,032**	2,148,723
Cash and cash equivalents at 1 July		**35,526,066**	33,377,343
Cash and cash equivalents at 30 June	6	**41,899,098**	35,526,066

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

Notes to the Financial Statements

1. Corporate Information

Health Network Northern Territory Ltd ("Health Network NT" or "the Company") was established as a not-for-profit public company limited by guarantee under the *Corporations Act 2001 (Cth)* on 1 July 2012. Health Network NT has currently three Members: Health Providers Alliance Northern Territory Incorporated, the Northern Territory Department of Health and the Aboriginal Medical Services Alliance Northern Territory Aboriginal Corporation. Health Network NT, trading as Northern Territory PHN, is primarily involved in health service commissioning and health outcomes in the Northern Territory and is one of 31 Primary Health Networks established Australia-wide by the Australian Government Department of Health. The Health Network NT also includes the Northern Territory Rural Workforce Agency as an operational branch.

The Company is a not-for-profit entity and registered as a charity with the Australian Charities and Not-for-profits Commission from 3 December 2012.

Health Network NT's registered office is 23 Albatross Street, Winnellie, NT 0820.

2. Basis of Preparation

a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations and Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB), the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the *Corporations Act 2001* (Cth).

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The financial statements are for the financial year 1 July 2023 to 30 June 2024 and were authorised for issue by the Board of Directors on 21 October 2024.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated.

c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is Health Network NT's functional currency.

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d) Critical Accounting and Estimates and Judgement

The preparation of financial statements in conformity with Australian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

Information about critical judgments in applying accounting policies and in preparing this financial report that have the most significant effect on the amounts have been recognised in the financial statements as appropriate.

e) New Accounting Standards and Interpretations

The Company has adopted *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial report.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial report.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material Accounting Policies (2023: Significant Accounting Policies) in certain instances in line with the amendments.

No Australian accounting standards have been adopted early for 2023-24. Several other amending standards and AASB interpretations that have been issued that apply to future reporting periods but are considered to have limited or no impact on the Company's financial reporting.

3. Material Accounting Policies

Revenue

The Company measures revenue by considering the amount specified in a contract and excludes amounts collected on behalf of third parties. Revenue is recognised when the Company fulfills obligations specified in the relevant contract. These obligations may be fulfilled either at a specific point in time or over a period.

a) Grant revenue

Revenue generated from grants is recognised upon fulfillment of associated performance obligations, rather than immediately upon receipt. Grants with enforceable agreements but

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no specific performance obligations, yet have restrictions on the timing of expenditure, are recognised at the time of receipt as the time restriction on the utilisation of funds is not specific enough to create a performance obligation. Grants that are not enforceable and/or specific enough do not qualify for deferral and are recognised as revenue as soon as they are controlled.

Grants that require the Company to provide services or facilities or meet eligibility criteria is recognised only to the extent that the required services have been provided or the eligibility criteria have been met. In cases where monies are received in advance of performance or eligibility, a liability is recognised. Any unexpended grants associated with performance obligations are recognised as a liability in the Statement of Financial Position.

b) Interest

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Financial Instruments

a) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

b) Subsequent measurement

Financial assets are subsequently measured at:

- amortised cost (cash in bank, trade and other & receivables and investments);
- fair value through Statement of Comprehensive Income; or
- fair value through Other Comprehensive Income.

Financial liabilities are subsequently measured at:

- amortised costs; or
- fair value through Statement of Comprehensive Income.

The Company does not have any financial assets and liabilities at fair value through Statement of Comprehensive Income or fair value through Other Comprehensive Income.

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Cash in bank and trade receivables are classified as at amortised cost and are measured using effective interest method, net of any provision for impairment losses. Whereas Trade payables are subsequently measured at amortised costs using the effective interest rate method.

c) Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in Statement of Comprehensive Income.

d) Impairment

The Company recognises an allowance for expected credit losses (ECLs) for trade and other receivables. ECLs are based on the difference between the contractual cash flows due following the contract and all the cash flows the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements integral to the contractual terms.

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company considers a trade and other receivables in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A trade and other receivables are written off when there is no reasonable expectation of recovering the contractual cash flows.

Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are initially measured at cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Property, plant, and equipment that has been contributed at no cost or for nominal cost is valued at the fair value of the asset at the date of its acquisition.

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

b) Asset Capitalisation policy

The Health Network NT collaborates with Health Service Providers throughout the Northern Territory and is granted funds by the Commonwealth Government to promote the well-being of Territorians. To ensure compliance with each grant funding contract, the Company meticulously scrutinises contracts to ascertain whether asset purchases are permissible, as asset ownership may be constrained under Commonwealth Funding guidelines. The Company strictly invests only in assets by the contract guidelines.

c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

d) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted as cost, less its residual value.

Depreciation is recognised in Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Even if it is acquired by the Company, depreciation will still be done at the shorter of EUL and lease term.

Where an asset is acquired by direct Government grant funding and it has not been fully depreciated, at the end of the associated program, direction is sought from the Government to use the asset or sale proceeds to benefit a complementary or similar program.

Right of Use Assets

The Company has secured office space to carry out its business operations through lease agreements. The leases typically last for 4 to 5 years, with options to extend as needed. The terms of each lease are customised and can vary widely. There are no restrictions imposed in the lease agreements, and the company does not provide residual value guarantees for the leases.

For short-term and low-value leases, the company recognises payments as expenses on a straight-line basis instead of recording a right-of-use asset and lease liability. Short-term leases have a duration of 12 months or less and do not include a purchase option, while low-value assets have a new fair value of $10,000 or less and are typically photocopiers that are not part of a sublease arrangement.

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

a) *Recognition and measurement*

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The Company recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site, if any.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are subsequently measured at fair value which approximates costs except for those arising from leases that have significantly below-market terms and conditions principally to enable the Company to further its objectives and are also subject to impairment.

The right-of-use assets are subject to remeasurement principles consistent with the lease liability, including indexation and market rent review that approximates fair value and only revalued where a trigger or event may indicate their carrying amount does not equal fair value.

b) *Impairment of Non-financial assets*

The carrying amounts of Health Network NT's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets that cannot be tested individually are grouped into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An

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impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee Benefits

a) Long-term employee benefits
Health Network NT's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods, plus related expected benefit is discounted to determine its present value.

b) Short-term benefits
Liabilities for employee benefits for wages, salaries, annual leave and long-service leave, represent present obligations resulting from employees' services provided up to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that Health Network NT expects to pay as at reporting date including related on-costs, such as workers' compensation insurance. Contributions are made by Health Network NT to an employee superannuation fund and are charged as expenses when incurred.

Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

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

Reserves

Health Network NT maintains strategic initiative reserves that are funded by cash and investments. This reserve is used to record funds set aside for the sponsorship and business development program that will be undertaken by Health Network NT in the future.

Provisions

A provision is recognised if, as a result of a past event, Health Network NT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of

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economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Lease Liabilities

At the commencement date of the lease where the Company is the lessee, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments may include fixed payments (including in substance fixed payments) less any lease incentives receivable and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the weighted average incremental borrowing rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Income Tax

No provision for income tax has been raised as Health Network NT is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997.*

Payroll Tax

No provision for payroll tax has been raised as Health Network NT is exempt from payroll tax under the *Payroll Tax Act* effective from 1 July 2012.

Fringe Benefits Tax

Health Network NT is a partially exempt employer for fringe benefits provided up to a specified amount per employee under Section 57A of the *Fringe Benefits Tax Assessment Act 1986*. No provision for fringe benefits tax has been raised as any tax incurred is required to be immediately paid by the employee for whom the fringe benefits tax debt is incurred.

Prohibition upon distribution of income, profits and assets

Upon winding up of Health Network NT and after paying of all liabilities, the surplus assets:

(i) Shall not be divided amongst Members; but

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(ii) Shall, upon special resolution of the members, be paid or transferred to another incorporated or unincorporated organisation, having similar objects to Health Network NT. If the Members are unable to pass a resolution, then the surplus assets are to be paid or transferred on the direction of the Supreme Court of the Northern Territory, on application of Health Network NT or any Member.

Determination of fair values

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-derivative financial liabilities

Fair value, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Financial risk management

Health Network NT has minimal exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about Health Network NT's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies and systems are set to identify and analyse the risks faced by Health Network NT, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Credit risk

Credit risk is the risk of financial loss to Health Network NT if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

Trade and other receivables

Health Network NT's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Majority of Health Network NT's revenue is attributable to Government Grants and hence credit risk is low and trade receivables are deemed to be recoverable. Health Network NT's other receivables relate mainly to non-governmental organisations which are also funded

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by both the State and Commonwealth Government and hence the credit risk is low and other trade receivables are deemed to be recoverable.

Liquidity risk

Liquidity risk is the risk that Health Network NT will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Directors' 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 Health Network NT's reputation. Health Network NT Board are of the view that sufficient funds have been arranged, via member contributions, to meet its liabilities when due in the event of Health Network NT winding up its operations.

Market risk

Market risk is the risk that changes in market prices will affect Health Network NT's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Health Network NT does not enter into derivatives and has no exposures to currency risk and neither is anticipated. Management's policy is to review their investment strategy to balance interest returns and liquidity issues.

Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

4. Grant Income

	2024	2023
	$	$
Current year grants		
Department of Health	**84,119,017**	77,634,059
NT Department of Health	**2,862,389**	2,254,217
Other Grants	**5,845,551**	6,498,915
Total Grant Income	**92,826,957**	86,387,191
Non-grant income		
Insurance recoveries	**-**	27,889
Other program income	**175,906**	48,791
Other income	**-**	19,387
	175,906	96,067
Interest income on bank deposits	**1,968,498**	1,052,475
Total Income	**94,971,361**	87,535,733

5. Employee Expenses

	2024	2023
	$	$
Salaries and wages	**11,602,300**	10,624,019
Superannuation	**1,228,267**	1,086,743
Recruitment expenses	**40,334**	119,603
Training & conference expenses	**282,951**	504,670
Temporary agency employment and other expenses	**75,634**	431,847
	13,229,486	12,766,882

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

6. Cash and Cash Equivalents

	2024	2023
	$	$
Cash at bank	**8,508,579**	12,088,488
Term deposits	**33,159,259**	23,246,081
Deposits & Bonds Paid	**-**	5,237
Bank guarantee deposit - Albatross Street	**86,260**	86,260
Bank guarantee deposit - Alice Springs	**45,000**	-
Bank guarantee deposit - Credit Card Limit	**100,000**	100,000
	41,899,098	35,526,066

7. Trade and Other Receivables

	2024	2023
	$	$
Trade and other receivables	**605,202**	538,985
Less: Expected credit losses provision	**(31,653)**	(130,813)
	573,549	408,172

All trade and other receivables balance are currently within accepted trading terms. Analysis of the ageing of Health Network NT's receivables are disclosed in Note 16.

Movement in expected credit losses is as follows:		
Balance at beginning of the year	**(130,813)**	(72,000)
Amounts written off	**130,813**	-
Recovery during the year	**-**	-
Expected credit losses provision during the year	**(31,653)**	(58,813)
Balance at end of the year	**(31,653)**	(130,813)

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

8. Other Current Assets

	2024	2023
	$	$
Accrued income	**1,722,717**	1,663,958
Other receivables	**5,237**	-
Other prepayments	**514,439**	240,919
	2,242,393	1,904,877

9. Property, Plant & Equipment

	Right-of-Use Assets	Total
	$	$
Cost		
Balance at 1 July 2022	1,923,695	1,923,695
Additions	-	-
Remeasurement of leases	58,739	58,739
Balance at 30 June 2023	1,982,434	1,982,434
Balance at 1 July 2023	**1,982,434**	**1,982,434**
Additions	**-**	**-**
Disposed/Remeasurement of leases	**573,205**	**573,205**
Balance at 30 June 2024	**2,555,639**	**2,555,639**
Accumulated Depreciation		
Balance at 1 July 2022	(348,531)	(348,531)
Depreciation charge for the year	(403,607)	(403,607)
Remeasurement of leases	-	-
Balance at 30 June 2023	(752,138)	(752,138)
Balance at 1 July 2023	**(752,138)**	**(752,138)**
Depreciation charge for the year	**(393,389)**	**(393,389)**
Remeasurement of leases	**(616,436)**	**(616,436)**
Balance at 30 June 2024	**(1,761,963)**	**(1,761,963)**

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

	Right-of-Use Assets	Total
	$	**$**
Carrying amounts		
At 30 June 2023	1,230,296	1,230,296
At 30 June 2024	**793,676**	**793,676**

Remeasurement of leases included changes in total area lease and monthly lease payments and new lease term due to lease extensions.

10. Trade and Other Payables

	2024	2023
	$	$
Current		
Trade payables	**3,424,501**	2,007,867
Other current payables	**4,274,328**	2,960,875
Workforce candidate grants payable	**999,649**	850,644
Employee accruals	**236,181**	161,185
	8,934,659	5,980,585

11. Employee Benefits

	2024	2023
	$	$
Current		
Liability for annual leave	**952,373**	843,816
Liability for long service leave - current	**399,447**	301,118
	1,351,820	1,144,934
Non-current		
Liability for long service leave - non-current	**184,748**	144,578
	184,748	144,578
	1,536,568	1,289,526

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

12. Unearned Grants

	2024	2023
	$	$
Unearned grant income – current*	**27,440,771**	25,645,616
Unearned grant income – non-current	**3,550,185**	1,816,071
	30,990,956	27,461,686

Unearned grant income are monies received where the associated performance obligation to provide goods or services is yet to be satisfied. Unexpended grant income that is intended to be used beyond one year is recognised as non-current.

*Unearned grants as at 30 June 2024 are as follows:

	Amount
Committed expenditure to meet future activity	11,699,171
NT PHN managed uncommitted funds	5,695,852
Bilateral uncommitted funds	4,601,647
Funding received in the last 6 months	4,106,455
Funding to be returned	1,337,644
Total Current Unearned Grant	**27,440,771**

13. Lease Liabilities

	2024	2023
	$	$
Lease liabilities - current	**389,984**	426,889
Lease liabilities – non-current	**503,742**	904,628
	893,726	1,331,517

The following table presents Other Lease transactions under leases for 2023-24:

	2024	2023
	$	$
Balance at 1 July	**1,331,517**	1,666,475
Additions / Remeasurement	**(22,568)**	(7,721)
Interest Expenses	**26,053**	53,163
Payments	**(441,276)**	(380,401)
Balance at 30 June	**893,726**	1,331,517

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14. Related Party Transactions

The related parties of the Company include:

- the key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the Company directly; and
- spouses, children and dependents who are close family members of the KMP; and
- any entities controlled or jointly controlled by KMPs or controlled or jointly controlled by their close family members.

Key Management Personnel

Key management personnel of the Company are those persons having authority and responsibility for planning, directing, and controlling the activities of Company. These include the Directors and Senior Executive Leadership Team as listed below.

Directors

The following Directors were in office during the financial year ended 30 June 2024:

- Mr John Rawnsley – Board Chair
- Mr David Blair – Deputy Chair
- Ms Heather D'Antoine
- Dr Samuel Goodwin
- Dr John Paterson (resigned on 31 July 2023)
- Ms Liza Houghton
- Ms Susan Korner
- Ms Helen Bowden (appointed on 27 November 2023)

(i) Remuneration of Directors
During the year ended 30 June 2024, the total fees paid to Directors amounted to $207,285 (2023: $258,585).

(ii) Other Related Party Transactions
During the year, the Company commissioned the following transactions to service provider organisations for delivery of health services, on an arm's length basis, under normal terms and conditions. Directors of the Company may hold executive positions and/or Directorships in these organisations.

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

Annual Financial Report for the Year Ended 30 June 2024

Related Party	Details	Grants / Underspend Recovery	Commissions / Grants
		$	$
AMSANT	Health Services	198,563	1,949,081
Charles Darwin University	Australian Public University	100	838,267
Department of Health NT	Government Agency	2,666,273	2,022,119
Danila Dilba Health Services	Health Services	397,602	4,595,222
Flinders University	Australian Public University	2,330	518,132
Menzies School of Health Research	Medical Research Institute	-	60,650
Red Lily Health Board	Health Services	15,547	563,822
St John Ambulance Australia (NT)	Health Services	-	6,805
The Trustee for TFCMG Trust t/as Central Clinic Alice Springs	Health Services	-	55,064
Top End Pride (NT) Incorporated	LGBTIQ+ community support and wellbeing	-	10,000

(iii) Outstanding Amounts
As at 30 June 2024, there are no outstanding amounts receivable from or payable to the Directors.
As at 30 June 2024, the following balances were outstanding between the Company and service provider organisations.

Related Party	Details	Amount owed by related parties	Amount owed to related parties
		$	$
Department of Health NT	Government Agency	82,434	237,690
Red Lily Health Board	Health Services	5,115	-
Health Providers Alliance Northern Territory Incorporated	Health Education	16,500	-

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Senior Executive Leadership Team

Health Network NT's Senior Executive Leadership Team consists of the following positions as at 30 June 2024:

- *Chief Executive Officer*
- *Chief Financial Officer*
- *Executive Manager Corporate Services*
- *Executive Manager Aboriginal and Torres Strait Islander Health*
- *Executive Manager Strategy, Commissioning and Integration*
- *Executive Manager Health Workforce*

Total remuneration of $1,405,690 (2023: $1,341,810) was paid to the Senior Executive Leadership Team for the year ended 30 June 2024.

(i) Retirement Benefits
No retirement benefits have been made by the Company to key management personnel during the reporting year.

(ii) Loans to Responsible Persons
No loans have been made, guaranteed or secured by the Company to key management personnel during the reporting year.

(iii) Other Transactions
No other transactions have been made by the Company to key management personnel during the reporting year.

(iv) Outstanding Amounts
As at 30 June 2024, there were no outstanding amounts receivable from Key Management Personnel.

15. Reconciliation of Cash Flows from Operating Activities

	2024	2023
	$	$
Cash flows from operating activities		
Net surplus/(deficit) for the period	**154,092**	240,626
Adjustments for:		
Depreciation	**393,389**	403,606
Impairment Expenses	**41,608**	-
Expected Credit losses provision	**(99,160)**	58,813
Provision for Employee Benefits	**247,042**	172,136
	736,971	875,181

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	2024	2023
	$	$
Changes in Assets and Liabilities:		
Change in trade and other receivables	**(406,021)**	(1,814,478)
Change in trade and other payables	**2,954,088**	1,970,919
Change in unexpended grant liability	**3,529,270**	1,497,504
Net Cash inflow generated from operating activities	**6,814,308**	2,529,124

16. Financial Instruments

Credit risk

Health Network NT does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity as most of its receivables are due from Australian Government departments.

Impairment losses

The ageing of Health Network NT's receivables at the reporting date was:

	Gross	**Expected credit losses**	Gross	Expected credit losses
	2024	**2024**	2023	2023
	$	$	$	$
Less than 30 days	**597,635**	**15,153**	274,234	-
31-60 days	**2,557**	**-**	133,940	58,813
Greater than 60 days	**5,010**	**16,500**	72,000	72,000
	605,202	**31,653**	480,172	130,813

All receivables, other than those provided with expected credit losses provisions, are collectible as at 30 June 2024.

Liquidity risk

Health Network NT manages liquidity risk by monitoring bank balances and monitoring grant payments as per grant schedules by ensuring the grant payments are made on time, and there are sufficient funds in the bank.

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

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

30 June 2024	Carrying amounts $	Contractual Cash flow $	6 months or less $
Trade and other payables	**3,424,501**	**(3,424,501)**	**3,424,501**
Other current payables	**5,510,158**	**(5,510,158)**	**5,510,158**
	8,934,659	**(8,934,659)**	**8,934,659**

30 June 2023	Carrying amounts $	Contractual Cash flow $	6 months or less $
Trade and other payables	2,007,867	(2,007,867)	2,007,867
Other current payables	3,972,718	(3,972,718)	3,972,718
	5,980,585	(5,980,585)	5,980,585

Price risk

Health Network NT is not exposed to any material commodity risk.

Foreign currency risk

Health Network NT is not exposed to any material foreign currency risk.

Fair values

The carrying amount of receivables, cash at bank, and creditors approximate their fair value due to their short-term nature.

17. Members' Guarantee

This organisation operates under the Corporations Act 2001 and is a limited liability entity. In the event of dissolution, the constitution specifies that each member must pay a maximum contribution of $50 to cover any outstanding liabilities. As of June 30, 2024, the organisation had three members.

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

18. Auditor's Remuneration

Audit Services	2024 $	2023 $
PKF Merit (formerly known as Merit Partners Pty Ltd)		
Audit and review of annual financial statements	40,052	42,500
Audit of Special Purpose Reports for Funding Acquittals	24,750	17,500
	64,802	60,000

19. Events Subsequent to Reporting Date

There are no events after the balance sheet date.

20. Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent assets and contingent liabilities that may become payable.

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

Annual Financial Report for the Year Ended 30 June 2024

Directors' Declaration

In the opinion of the directors of Health Network NT:

(a) the financial statements and notes, set out on pages 12 to 36, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*, including:

  (i) giving a true and fair view of Health Network NT's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Regulations 2013* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that Health Network NT will be able to pay its debts as and when they become due and payable.

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

Mr John Rawnsley

Director and Chair, Health Network Northern Territory Ltd

Dated at Darwin this 21st day of October 2024.

Health Network Northern Territory Ltd gratefully acknowledge the financial and other support from the Australian Government Department of Health.

PKF Merit Partnership
ABN 28 448 499 186

Level 2, 9 Cavenagh Street
Darwin NT 0800

PO Box 3470
Darwin NT 0801
Australia

+61 8 8982 1444
clientservices@pkfmerit.com.au
pkf.com.au

Auditor's Independence Declaration to the Directors of Health Network Northern Territory Ltd

In relation to our audit of the financial statements of Health Network Northern Territory Ltd for the financial year ended 30 June 2024, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Merit

MunLi Chee
Partner

DARWIN

21 October 2024

PKF Merit Partnership is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

PKF Merit Partnership
ABN 28 448 499 186

Level 2, 9 Cavenagh Street
Darwin NT 0800

PO Box 3470
Darwin NT 0801
Australia

+61 8 8982 1444
clientservices@pkfmerit.com.au
pkf.com.au

Independent audit report to members of Health Network Northern Territory Ltd

Report on the Audit of the Financial Report

We have audited the accompanying general purpose financial report of Health Network Northern Territory Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of material accounting policies, other explanatory notes, and the directors' declaration.

In our opinion, the financial report of Health Network Northern Territory Ltd is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial position of Health Network Northern Territory Ltd at 30 June 2024 and of the Company's performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013* and the *Corporations Regulations 2001*.

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 Company in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Responsibility of Management and Those Charged with Governance for the Financial Report

Management of the Company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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Those charged with corporate governance are responsible for overseeing the Company's financial reporting process.

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 the financial report.

As part of an audit in accordance with 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 Company'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 Company'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 Company 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 management 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.

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MunLi Chee
Partner
DARWIN

21 October 2024