

Gippsland Health Network Limited

ABN 52 155 514 702

Financial Statements - 30 June 2025

Gippsland Health Network Limited
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30 June 2025

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Gippsland Health Network Limited
Directors' Report
30 June 2025

Your directors present their report on the company for the financial year ended 30 June 2025.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Elected Director	Current Term of Office	Previous Term of Office	Director Position
Therese Tierney	15/11/2023	18/11/2020 - 15/11/2023 (A2) 21/03/2018 - 18/11/2020 (A3)	A1
Mary Sayers	15/11/2023	16/11/2022 - 15/11/2023 (A3)	A2
Murray Bruce	Ceased 20/11/2024	18/11/2015 - 21/11/2018 (B3) 21/11/2018 - 17/11/2021 (B3)	n/a
Letitia Clark	20/11/2024	01/12/2021 - 20/11/2024 (B3)	B1
Elisabeth Wearne	16/11/2022	15/03/2022 - 16/11/2022 (C2)	C1
Ryan Brown	16/11/2022		C2
Appointed Director	Current Term of Office	Previous Term of Office	Director Position
Vicki Doherty	15/11/2023		A3
Nathan Voll	20/11/2024	17/11/2021 - 20/11/2024 (B2)	B2
Andrew Hobby	20/11/2024		B3
Anna Hall	16/11/2022		C3

As per clause 10.4 of the Constitution, six Board members elected pursuant to clauses 10.14, and four Board members appointed pursuant to clause 10.16 or 10.17.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

Gippsland Health Network Limited (herein referred to as Gippsland Health Network) is a not-for-profit charity that works at a regional and local level to achieve improved whole of system health care. We work with general practice, allied health, hospitals and other primary and community health providers; to drive, support and strengthen primary health in Gippsland to meet the needs of local communities.

We are consumer focused and established to reduce fragmentation of care by integrating and coordinating health services and supporting general practice. We leverage and administer health program funding from a variety of sources to commission flexible services to realise our vision of a measurably healthier Gippsland.

Objectives

The company's objectives (as stated in the Gippsland Health Network Constitution) are:

- primarily focusing on the delivery of Primary Health Care services to patients and the community for the prevention and control of diseases;
- improving the planning of Primary Health Care services to identify health needs of the community, develop locally focused and responsive health services and address service delivery gaps;
- promoting Primary Health Care and the centrality of general practice for the delivery of effective integrated health management for the community, including initiatives aimed toward improving Primary Health Care, health, raising patient awareness and improving access to appropriate services;
- providing support and education to clinicians and health service providers to improve their patient care;
- establishing effective collaborations to deliver more coordinated, integrated, flexible and locally responsive health care services; and
- promoting a culture of safety, efficiency, accountability and continuous improvement in the delivery of Primary Health Care services.

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Directors' Report
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The company will have all the powers and functions necessary or desirable to the maximum extent permitted by law. Without limitation, the company may seek to achieve its objectives by:

- Raising money to further the objectives of the company and to secure sufficient funds for the pursuit of the objectives of the company.
- Receiving any funds and to distribute these funds in a manner that best attains the objectives of the company.
- Doing all such things as are incidental, convenient, or conducive to the attainment of the objectives of the company, including establishing or acquiring subsidiaries and participating in joint ventures.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Progress priority issues that respond to community needs: the most needed health issues are understood and invested in using local strengths.
- Strengthen workforce capability for safe, quality services: professionals and providers have knowledge, use best practice and improve skills.
- Facilitate seamless care across the system: community, consumers, carers, professionals and providers work together.
- Commission for service access that reaches those most in need: people can access services at the right time and in the right place, especially where gaps exist and in hard to reach locations.
- Perform as an exceptional organisation: our operations and results are transparent and measurable.

Key performance measures

The company measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks will be used by the Directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

The company has a range of measures required by its primary Funder, Department of Health, Disability and Aged Care. These measures apply to all programs and services funded by Department of Health, Disability and Aged Care.

Details of directors

Name:	Nathan Voll
Position held:	Board Chair, Director
Qualifications:	Bachelor of Commerce (Accounting and Economics) CPA Australia (Fellow) Graduate Certificate of Business Management Masters of Business Administration (with Distinction) GAICD - Fellow and Graduate of the Australian Institute of Company Directors Australian Institute of Company Directors, Mastering the Boardroom.
Special responsibilities:	CEO Performance and Remuneration Committee (Chair)

Name:	Dr Letitia Clark
Position held:	Deputy Chair, Director
Qualifications:	FRACGP JCCA (Anaesthetics) DipRGA AFRACMA GAICD - Graduate of the Australian Institute of Company Directors Diploma of Childrens' Health, University of Sydney MBBS, Monash University Advanced Paediatric Life Support REST course, EMST
Special responsibilities:	Clinical Council Clinical Governance and Performance Committee

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Name: Therese Tierney
Position held: Director
Qualifications: Grad Dip Business RMIT – Organisational Change and Behaviour
CRRN USA 1990 (as part of the Buckland Foundation Fellowship)
Division 1 Registered Nurse (St Vincent's)
Special responsibilities: CEO Performance and Remuneration Committee
Clinical Governance and Performance Committee
Director Independent Selection and Remuneration Committee (Chair December 2024 - June 2025)

Name: Murray Bruce
Position held: Director (ceased 20/11/2024)
Qualifications: LLB - Bachelor of Laws
BA - Bachelor of Arts
Admitted to Practice as an Australian Lawyer in Supreme Court of Victoria
GAICD - Graduate of the Australian Institute of Company Directors
Special responsibilities: Audit, Risk and Finance Committee

Name: Dr Elisabeth Wearne
Position held: Director
Qualifications: Fellowship of the Royal Australian College of General Practitioners (FRACGP)
Master of Clinical Education
Bachelor of Medicine/Surgery (Honours).
Special responsibilities: Community Advisory Committee (Chair June 2024 - December 2024)
Clinical Council
Director Independent Selection and Remuneration Committee (Chair June 2024 - December 2024)

Name: Mary Sayers
Position held: Director
Qualifications: Williamson Community Leadership Program
GAICD - Graduate of the Australian Institute of Company Directors
Master of Commerce Degree
Graduate Diploma in Human Resources
Bachelor of Arts
Special responsibilities: Clinical Governance and Performance Committee (Chair)
Clinical Council

Name: Anna Hall
Position held: Director
Qualifications: Bachelor of Engineering, Electrical and Computer
GAICD - Graduate of the Australian Institute of Company Directors
Special responsibilities: Audit, Risk and Finance Committee (Chair)

Name: Ryan Brown
Position held: Director
Qualifications: GAICD - Graduate of the Australian Institute of Company Directors
Australian Institute of Company Directors course for not-for-profit organisations
Special responsibilities: CEO Performance and Remuneration Committee

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Name: Vicki Doherty
Position held: Director
Qualifications: Health Board Essentials - Victorian Healthcare Association
GAICD - Graduate of the Australian Institute of Company Directors
Master of Public Health
Postgraduate Diploma in Education
Bachelor of Science (Hons)
Australasian Society of Association Executives
Institute of Community Directors Australia
Special responsibilities: Community Advisory Committee
Audit Risk and Finance Committee (December 2024 - June 2025)
Director Independent Selection and Remuneration Committee (December 2024 - June 2025)

Name: Andrew Hobby
Title: Director (appointed 21/11/2024)
Qualifications: GAICD - Graduate of the Australian Institute of Company Directors
Bachelor of Engineering (Computing), Monash University, Australia
Cisco WW High Potential Senior Director Development Program
Cisco Advanced Manager Series & Cisco Director Series
CCNA/CCNP/CCDA/CCDP/CCIE R&S Written
Special responsibilities: Audit, Risk and Finance Committee
Clinical Council
Community Advisory Committee

Meetings of directors

The table below provides details of the number of board and committee meetings of board directors held and the attendance by each director for the year ended 30 June 2025:

	Board Meetings		Audit, Risk & Finance Committee		Clinical Governance & Performance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr Nathan Voll	12	12	-	-	-	-
Dr Letitia Clark	12	11	-	-	4	3
Ms Therese Tierney	12	10	-	-	4	2
Mr Murray Bruce	6	3	2	1	-	-
Dr Elisabeth Wearne	12	11	-	-	-	-
Ms Mary Sayers	9	8	2	2	4	3
Ms Anna Hall	12	12	5	5	-	-
Mr Ryan Brown	12	11	-	-	-	-
Ms Vicki Doherty	12	10	3	2	-	-
Mr Andrew Hobby	6	5	3	2	-	-

	Independent Director Selection and Remuneration Committee		CEO Performance and Remuneration Committee		Community Advisory Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr Nathan Voll	-	-	2	2	-	-
Dr Letitia Clark	-	-	-	-	-	-
Ms Therese Tierney	5	3	2	2	-	-
Mr Murray Bruce	-	-	-	-	-	-
Dr Elisabeth Wearne	4	4	-	-	4	4
Ms Mary Sayers	-	-	-	-	-	-
Ms Anna Hall	-	-	-	-	-	-
Mr Ryan Brown	-	-	2	1	-	-
Ms Vicki Doherty	1	-	-	-	4	4
Mr Andrew Hobby	-	-	-	-	2	-

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Directors' Report
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	Clinical Council	
	Eligible	Attended
Mr Nathan Voll	-	-
Dr Letitia Clark	4	3
Ms Therese Tierney	-	-
Mr Murray Bruce	-	-
Dr Elisabeth Wearne	3	3
Ms Mary Sayers	3	2
Ms Anna Hall	-	-
Mr Ryan Brown	2	2
Ms Vicki Doherty	-	-
Mr Andrew Hobby	2	1

Note:

The Gippsland PHN Chair is invited to attend all sub-committee, advisory and clinical council meetings, but is not a member of all.

* Incumbent director Andrew Hobby was not expected to attend all meetings but was eligible as part of an induction program

** Ms Andrea Buckland is an independent member of the Audit, Risk and Finance Committee from June 2022 and is not a Director.

*** Ms Loretta Willaton, Mr Ormond Pearson, Ms Lisa Price and Mr Sean Dignum are independent members of the Independent Director Selection and Remuneration Committee but are not Directors.

Indemnification of officer or auditor

The company has paid an annual premium to insure the Directors' and Officers' against liabilities incurred in their respective capacities. Under the policy, details of the premium are confidential.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene 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 financial period.

Contributions on winding up

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up the constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the company. At 30 June 2025 the total amount that members of the company are liable to contribute if the company is wound up is \$2,400.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60.40 of the *Australian Charities and Not-for-Profit Commission Act 2012* is set out on page 9 of this financial statement.

Signed in accordance with a resolution of the board of directors:



Mr Nathan Voll
Chair



Dr Letitia Clark
Deputy Chair

17 September 2025



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Lead auditor's independence declaration under *section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Gippsland Health Network Limited

As lead auditor for the audit of Gippsland Health Network Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 17th day of September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing', is positioned above the printed name.

Adrian Downing
Lead Auditor

Gippsland Health Network Limited
Statement Of Profit Or Loss And Other Comprehensive Income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue and other income	3	43,878,245	39,710,647
Expenses			
Program delivery expenses	4	(31,732,969)	(28,488,704)
Employee benefits expense	4	(7,144,428)	(7,413,005)
Administration expenses	4	(2,678,758)	(2,105,941)
Office expenses		(1,361,351)	(797,636)
Depreciation expense	4	(322,174)	(275,970)
Finance expenses	4	(83,060)	(73,419)
Occupancy expenses		(192,409)	(234,626)
Travel expenses		(92,555)	(90,557)
Surplus before income tax expense		270,541	230,789
Income tax expense	1	-	-
Surplus after income tax expense for the year attributable to the members of Gippsland Health Network Limited		270,541	230,789
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Gippsland Health Network Limited		<u>270,541</u>	<u>230,789</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Gippsland Health Network Limited
Statement Of Financial Position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	5	21,994,667	17,713,558
Trade and other receivables	6	611,094	2,077,759
Total current assets		<u>22,605,761</u>	<u>19,791,317</u>
Non-current assets			
Property, plant and equipment	7	243,794	259,716
Right-of-use assets	8	866,599	928,339
Total non-current assets		<u>1,110,393</u>	<u>1,188,055</u>
Total assets		<u>23,716,154</u>	<u>20,979,372</u>
Liabilities			
Current liabilities			
Trade and other payables	9	8,899,625	7,128,487
Grants in advance and grants refundable	10	9,937,516	9,071,703
Lease liabilities	11	243,706	253,364
Employee entitlements	12	526,677	604,180
Total current liabilities		<u>19,607,524</u>	<u>17,057,734</u>
Non-current liabilities			
Lease liabilities	11	711,132	711,132
Employee entitlements	12	71,135	154,684
Total non-current liabilities		<u>782,267</u>	<u>865,816</u>
Total liabilities		<u>20,389,791</u>	<u>17,923,550</u>
Net assets		<u>3,326,363</u>	<u>3,055,822</u>
Equity			
Retained surplus		<u>3,326,363</u>	<u>3,055,822</u>
Total equity		<u>3,326,363</u>	<u>3,055,822</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Gippsland Health Network Limited
Statement Of Changes In Equity
For the year ended 30 June 2025

	Retained Surplus \$	Total equity \$
Balance at 1 July 2023	2,825,033	2,825,033
Surplus after income tax expense for the year	230,789	230,789
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>230,789</u>	<u>230,789</u>
Balance at 30 June 2024	<u><u>3,055,822</u></u>	<u><u>3,055,822</u></u>
	Retained Surplus \$	Total equity \$
Balance at 1 July 2024	3,055,822	3,055,822
Surplus after income tax expense for the year	270,541	270,541
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>270,541</u>	<u>270,541</u>
Balance at 30 June 2025	<u><u>3,326,363</u></u>	<u><u>3,326,363</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Gippsland Health Network Limited
Statement Of Cash Flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		49,912,777	39,753,636
Payments to suppliers and employees (inclusive of GST)		(45,949,163)	(39,656,109)
Interest received		654,725	750,326
Short term and low-value lease payments		-	(3,724)
Interest and other finance costs paid		(83,060)	(73,419)
Net cash from operating activities	13	<u>4,535,279</u>	<u>770,710</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Repayment of lease liabilities		(254,170)	(236,117)
Net cash used in financing activities		<u>(254,170)</u>	<u>(236,117)</u>
Net increase in cash and cash equivalents		4,281,109	534,593
Cash and cash equivalents at the beginning of the financial year		<u>17,713,558</u>	<u>17,178,965</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>21,994,667</u></u>	<u><u>17,713,558</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The financial statements are for Gippsland Health Network Limited (herein referred to as Gippsland Health Network) as an individual entity, incorporated and domiciled in Australia. Gippsland Health Network is a not-for-profit company limited by guarantee and is primarily involved in:

- Commission primary care and mental health services to address population health needs and gaps in service delivery and to improve access and equity.
- Capacity strengthen and provide practice support to primary care and mental health providers to support quality care delivery.
- Coordinate and integrate local health care services in collaboration with Local Hospital Networks (LHN) to improve quality of care, people's experience and efficient use of resources.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012*.

The company does not have 'public accountability' as defined in AASB 1053: *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060.

Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

The financial statements were authorised for issue on 17 September 2025 by the directors of Gippsland Health Network.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Functional and presentation currency and rounding

These financial statements are presented in Australian dollars, which is Gippsland Health Network's functional currency. The amounts have been rounded to the nearest dollar.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Income tax

No provision for income tax has been raised as Gippsland Health Network is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* as a charity registered under the *Australian Charities and Not-for-profits Commission Act 2012*.

Impairment of assets

At the end of each reporting period, Gippsland Health Network assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount.

Note 1. Significant accounting policies (continued)

Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Economic dependence

Gippsland Health Network is dependent on the Australian Government Department of Health for a material amount of its revenue used to operate the business. At the date of this report, the board of directors believe the Department of Health will continue to support Gippsland Health Network.

Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

The accounting policies that are material to the company are set out either in the respective notes or above. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 2. Critical accounting judgements, estimates and assumptions

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying Gippsland Health Network's accounting policies. These judgements have the most significant effect on the amounts recognised in the financial statements.

Annual leave

For the purpose of measurement, AASB 119: *Employee Benefits* (AASB 119) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Gippsland Health Network expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Long service leave calculation

Gippsland Health Network assesses the long service leave liability in accordance with the requirements of AASB 119 and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2025. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions).

Useful lives of property, plant and equipment

Gippsland Health Network reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Impairment

Gippsland Health Network assesses impairment at each reporting period by evaluating the conditions and events specific to Gippsland Health Network that may be indicative of impairment triggers. Recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

Identifying performance obligations under AASB 15

To identify a performance obligation under AASB 15: *Revenue from Contracts with Customers* (AASB 15), the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lease term and option to extend under AASB 16

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include:

- the importance of the asset to the Gippsland Health Network's operations
- comparison of terms and conditions to prevailing market rates
- incurrence of significant penalties
- existence of significant leasehold improvements, and
- the costs and disruption to replace the asset.

Gippsland Health Network reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Borrowing rate under AASB 16

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 Gippsland Health Network's leases, Gippsland Health Network's incremental borrowing rate is used, being the rate Gippsland Health Network would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Gippsland Health Network:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, eg term, country, currency and security.

Note 3. Revenue and other income

	2025	2024
	\$	\$
<i>Revenue from government grants and other grants</i>		
Core grant revenue – Primary Health Network	35,252,813	30,857,049
Other grant revenue	5,723,321	6,729,594
	<u>40,976,134</u>	<u>37,586,643</u>
<i>Other income</i>		
Administration fees	1,865,070	946,514
Interest income	654,507	750,326
Sundry income	382,534	427,164
	<u>2,902,111</u>	<u>2,124,004</u>
Revenue and other income	<u><u>43,878,245</u></u>	<u><u>39,710,647</u></u>

Disaggregation of revenue

The company has disaggregated revenue from contracts with customers by the nature of revenue.

Note 3. Revenue and other income (continued)

	2025	2024
	\$	\$
Funding body		
Department of Health, Disability and Aged Care (Commonwealth)	35,048,376	32,031,734
Department of Health (Victoria)	4,955,023	4,943,566
Department of Education and Training	161,496	154,039
North Western Melbourne PHN	217,966	212,916
Western VIC/Murray/Gippsland PHNs	315,352	101,246
Cancer Shared Centre	-	86,496
Australian General Practice Training	-	34,233
Australian Digital Health Agency	6,895	-
East Gippsland Shire Council	33,214	-
Department of Industry, Innovation and Science	194,191	-
Latrobe Health Assembly	41,746	-
Other	1,875	22,413
	<u>40,976,134</u>	<u>37,586,643</u>

Gippsland Health Network's revenue and income disaggregated by pattern of revenue recognition is as follows:

	2025	2024
	\$	\$
Services transferred over time	<u>40,976,134</u>	<u>37,586,643</u>

Accounting policy for revenue recognition

The company recognises revenue as follows:

Grant revenue

Revenue arises mainly from the receipt of grants from the Department of Health, Disability and Aged Care, Federal Government and State Government.

Gippsland Health Network enters into transactions involving a number of performance obligations. In these cases, the total transaction price for the contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices, as detailed in the customer approved Activity Work Plan. The transaction price for a contract excludes any amounts collected on behalf of a third party.

Revenue is recognised over time, when (or as) Gippsland Health Network satisfies performance obligations by transferring the promised goods or services to its customer, as detailed in the customer approved Activity Work Plan.

Gippsland Health Network recognises grants in advance for consideration received in respect of unsatisfied performance obligations and reports these amounts as liabilities in the Statement of Financial Position. Similarly, if Gippsland Health Network satisfies a performance obligation before it receives the consideration, Gippsland Health Network recognises either a contract asset or a receivable in its Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

All revenue is stated net of the amount of goods and services tax.

Gippsland Health Network Limited
Notes To The Financial Statements
30 June 2025

Note 4. Surplus for the year

Surplus for the year, before income tax, is arrived at after taking into consideration the following expenses:

	2025	2024
	\$	\$
<i>Depreciation expense:</i>		
Buildings	15,922	15,922
Right-of-use assets	306,252	260,048
	<u>322,174</u>	<u>275,970</u>
Total depreciation expenses	<u>322,174</u>	<u>275,970</u>

	2025	2024
	\$	\$
<i>Program delivery expenses:</i>		
Contracts	31,704,886	28,423,683
AHP	13,385	43,577
Medical aids	10,244	12,858
Venue & equipment Hire	4,454	7,465
Transport	-	1,121
	<u>31,732,969</u>	<u>28,488,704</u>

Program delivery expenses

Program delivery expenses represent contractual payments and funding distributions to commissioned service providers. These expenses are recognised when the PHN is obligated to make the payment, in accordance with the underlying contractual or funding arrangements.

	2025	2024
	\$	\$
<i>Employee benefits expense:</i>		
Wages and salaries	5,529,167	5,607,891
Superannuation	716,136	707,215
Expenses related to leave provisions	712,469	941,296
Other expenses	186,656	156,603
	<u>7,144,428</u>	<u>7,413,005</u>

	2025	2024
	\$	\$
<i>Administration expenses:</i>		
Admin management fees	1,865,070	946,514
Advertising	79,762	84,587
Consultancy fees	348,000	755,700
Insurance	89,936	66,243
Memberships & subscriptions	85,341	118,419
Other administration expenses	210,649	134,478
	<u>2,678,758</u>	<u>2,105,941</u>

	2025	2024
	\$	\$
<i>Finance expenses</i>		
Interest paid	83,060	73,419

Gippsland Health Network Limited
Notes To The Financial Statements
30 June 2025

Note 5. Cash and cash equivalents

	2025 \$	2024 \$
<i>Current assets</i>		
Cash on hand	18,482	17,942
Cash at bank	21,976,185	17,695,616
	<u>21,994,667</u>	<u>17,713,558</u>
Total cash and cash equivalents	<u>21,994,667</u>	<u>17,713,558</u>

Note 6. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables	141,895	45,243
Other receivables	469,199	2,032,516
	<u>611,094</u>	<u>2,077,759</u>
Total trade and other receivables	<u>611,094</u>	<u>2,077,759</u>

Accounting policy for trade and other receivables

Gippsland Health Network has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance. To measure the expected credit loss, trade receivables are grouped on days overdue.

Recognition of expected credit losses in financial statements

Other receivables are recognised at amortised cost, less any allowance for expected credit losses. There were no allowances for expected credit losses on other receivables. There was no provision for impairment of receivables at balance date, nor were there any provision movements or amounts written off during the year.

Note 7. Property, plant and equipment

	2025 \$	2024 \$
<i>Non-current assets</i>		
Land - at cost	166,000	166,000
Buildings - at cost	280,000	280,000
Less: Accumulated depreciation	(202,206)	(186,284)
	<u>77,794</u>	<u>93,716</u>
Computer equipment - at cost	207,804	207,804
Less: Accumulated depreciation	(207,804)	(207,804)
	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>243,794</u>	<u>259,716</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Buildings \$	Total \$
Balance at 1 July 2024	166,000	93,716	259,716
Depreciation expense	-	(15,922)	(15,922)
Balance at 30 June 2025	<u>166,000</u>	<u>77,794</u>	<u>243,794</u>

Note 7. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Note 8. Right-of-use assets

	2025 \$	2024 \$
Leased photocopiers	35,635	30,086
Less: Accumulated depreciation	(10,889)	(30,086)
	<u>24,746</u>	<u>-</u>
Leased properties	2,111,161	1,898,252
Less: Accumulated depreciation	(1,307,345)	(1,043,926)
	<u>803,816</u>	<u>854,326</u>
Leased motor vehicles	120,918	148,373
Less: Accumulated depreciation	(82,881)	(74,360)
	<u>38,037</u>	<u>74,013</u>
	<u><u>866,599</u></u>	<u><u>928,339</u></u>

Movements in carrying amounts

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

	Leased photocopiers \$	Leased properties \$	Leased motor vehicles \$	Total \$
Balance at 1 July 2024	-	854,326	74,013	928,339
Additions	35,635	204,031	4,846	244,512
Depreciation expense	(10,889)	(254,541)	(40,822)	(306,252)
	<u>24,746</u>	<u>803,816</u>	<u>38,037</u>	<u>866,599</u>
Balance at 30 June 2025	<u><u>24,746</u></u>	<u><u>803,816</u></u>	<u><u>38,037</u></u>	<u><u>866,599</u></u>

Accounting policy for right-of-use assets

Right-of-use assets are recognised and measured in accordance with AASB 16: *Leases* (AASB 16).

Note 9. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	776,615	768,406
Accrued expenses and other payables	8,123,010	6,260,319
PAYG tax payable	-	99,762
	<u><u>8,899,625</u></u>	<u><u>7,128,487</u></u>

Note 9. Trade and other payables (continued)

	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	8,899,625	7,128,487
Less GST refundable from/(payable to) the ATO, included in trade and other payables	<u>(78,854)</u>	<u>105,080</u>
	<u><u>8,820,771</u></u>	<u><u>7,233,567</u></u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Gippsland Health Network prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 10. Grants in advance and grants refundable

	2025 \$	2024 \$
<i>Current liabilities</i>		
Grants in advance – Primary Health Network	<u>9,937,516</u>	<u>9,071,703</u>

Accounting policy for grants in advance

Grants in advance represent Gippsland Health Network's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when Gippsland Health Network recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before Gippsland Health Network has transferred the goods or services to the customer.

Note 11. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Lease liability	<u>243,706</u>	<u>253,364</u>
<i>Non-current liabilities</i>		
Lease liability	<u>711,132</u>	<u>711,132</u>
	<u><u>954,838</u></u>	<u><u>964,496</u></u>

Accounting policy for lease liabilities

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used
- residual guarantee
- lease term
- certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 12. Employee entitlements

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	365,431	461,352
Long service leave	161,246	142,828
	<u>526,677</u>	<u>604,180</u>
<i>Non-current liabilities</i>		
Long service leave	71,135	154,684
Total employee entitlements	<u><u>597,812</u></u>	<u><u>758,864</u></u>

Accounting policy for employee benefits

Short-term employee benefits

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service.

Long-term employee benefits

The company classifies employee's long service leave entitlements as long-term employee benefits if they are not eligible to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wages and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates the approximate the terms of the obligations.

Note 13. Reconciliation of surplus to net cash from operating activities

	2025	2024
	\$	\$
Surplus after income tax expense for the year	270,541	230,789
Adjustments for:		
Depreciation and amortisation	322,174	275,970
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,466,665	(1,333,775)
Increase/(decrease) in trade and other payables	1,771,138	(502,534)
Increase in grants in advance and grants refundable	865,813	2,127,090
Decrease in employee benefits	(161,052)	(26,830)
Net cash from operating activities	<u><u>4,535,279</u></u>	<u><u>770,710</u></u>

Note 14. Members' guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up the constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the company. At 30 June 2025 the total amount that members of the company are liable to contribute if the company is wound up is \$2,400 (2024: \$1,750).

Note 15. Key management personnel compensation

Any person(s) having authority or responsibility for planning and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the company during the financial year are as follows:

	2025 \$	2024 \$
KMP compensation	<u>996,084</u>	<u>993,763</u>

Note 16. Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by, the auditor of Gippsland Health Network:

	2025 \$	2024 \$
<i>Audit services:</i>		
Audit of the financial statements - Andrew Frewin Stewart	28,670	22,500
Completion of acquittal audit - Andrew Frewin Stewart	<u>12,800</u>	<u>11,000</u>
	<u>41,470</u>	<u>33,500</u>
<i>Other non-audit services:</i>		
Preparation of financial statements - Andrew Frewin Stewart	<u>1,575</u>	<u>1,500</u>

Note 17. Related party transactions

Related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP, individually or collectively with their close family members.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. Transactions with related parties are detailed below:

Latrobe Community Health Service is a contracted service provider for various programs. Murray Bruce and Nathan Voll are Board Directors of Latrobe Community Health Service. The total value of these transactions is \$7,745,786 (2024: \$5,995,140).

Gippsland & East Gippsland Aboriginal Cooperative is a contracted service provider for various programs. Dr Liz Wearne is not employed in a decision-making capacity at Gippsland & East Gippsland Aboriginal Cooperative. The total value of these transactions is \$363,288 (2024: \$605,354).

West Gippsland Health Care Group is a contracted service provider. Dr Letitia Clark is Chief Medical Officer at West Gippsland Health Care Group. The total value of these transactions is \$90,000 (2024: \$35,000).

East Gippsland Water provide water to Bairnsdale Units. Therese Tierney is Chair of East Gippsland Water Corporation. The total value of these transactions is \$2,046 (2024: \$2,056).

Omeo District Health Board is a contracted service provider for various programs. Ryan Brown is a Board Director of Omeo District Health Board. The total value of these transactions is \$87,000 (2024: \$100,523).

Anna Hall is on the executive team of headspace national and does not have control of the headspace centres which Gippsland PHN commissions. The total value of these transactions is \$5,814,579 (2024: \$4,850,062).

Note 17. Related party transactions (continued)

Quantum Support Services is a contracted service provider of which Nathan Voll is a related party. Nathan finished his non executive directorship in March 2025. The total value of these transactions is \$816,120 (2024: \$998,214).

Mary Sayers is a Board Director at Bass Coast Health. The total value of these transactions is \$2,060 (2024: \$0).

There were no other related party transactions during the year.

Note 18. Capital expenditure commitments

No capital expenditure commitments were contracted for at year end (2024: nil).

Note 19. Events after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of Gippsland Health Network, the results of those operations or the state of affairs of Gippsland Health Network in future financial years.

Note 20. Contingent assets and liabilities

Contingent assets

Gippsland Health Network is not aware of any contingent assets as at 30 June 2025 (2024: nil).

Contingent liabilities

Gippsland Health Network is not aware of any contingent liabilities at 30 June 2025 (2024: nil).

Note 21. Company Details

The registered office and principal place of business of the company is:

Gippsland Health Network Limited
11 Seymour Street
Traralgon Victoria 3844

Note 22. Financial risk management

The company's financial instruments consist mainly of deposits with banks, short-term deposits, accounts receivable and payable and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* (AASB 9) as detailed in the accounting policies to these financial statements, are as follows:

	Note	2025 \$	2024 \$
Financial assets			
Cash and cash equivalents	5	21,994,667	17,713,558
Trade and other receivables	6	611,094	2,077,759
Financial assets		<u>22,605,761</u>	<u>19,791,317</u>
Financial liabilities			
Trade and other payables	9	8,820,771	7,233,567
Lease liabilities	11	954,838	964,496
Financial liabilities		<u>9,775,609</u>	<u>8,198,063</u>

Accounting policy for financial instruments

Note 22. Financial risk management (continued)

Financial assets

The company subsequently measure cash and cash equivalents and trade and other receivables at amortised cost.

Financial liabilities

The company subsequently measure trade and other payables and lease liabilities at amortised cost.

A financial liability cannot be reclassified.

Recognition of expected credit losses in financial statements

The company recognises a loss allowance for expected credit losses using the simplified approach, as applicable under AASB 9.

Gippsland Health Network Limited
Directors' Declaration
30 June 2025

In accordance with a resolution by the directors of Gippsland Health Network Limited, the directors of the company declare that the financial statements and notes, as set out on pages 8 to 22, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:

- Comply with Australian Accounting Standards – Simplified Disclosures
- Give a true and fair view of the financial position of the company as at 30 June 2025 and of its performance for the financial year ended on that date.
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with section 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*:



Mr Nathan Voll
Chair



Dr Letitia Clark
Deputy Chair

17 September 2025

Independent auditor's report to the Directors of Gippsland Health Network Limited

Report on the audit of the financial statements

Opinion

We have audited the financial report of Gippsland Health Network Limited's (the company), which comprises:

- Statement of financial position as at 30 June 2025
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory notes
- The directors' declaration of the company.

In our opinion, the financial report of the company, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date, and
- ii. complying with Australian Accounting Standards - Simplified Disclosure and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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.



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosure and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company'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 company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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. Misstatement can arise from fraud or error and are considered material if, individually or in 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Andrew Frewin Stewart
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- 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 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.
- 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 17th day of September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor