



Annual Report
Financial Year
2018 - 2019





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“ healthdirect saved me travelling unnecessarily to hospital in the middle of the night. I will not hesitate to call again.

📍 Sarah – Boyanup, WA



Who we are

Healthdirect Australia is a national, government-owned, not-for-profit organisation established by the Council of Australian Governments (COAG) in 2006.

We partner with our government shareholders to support equitable access to healthcare through the design of innovative health and support services delivered via helplines, video call solutions, websites, service finders, mobile applications and social media networks.

Our vision: Advice. Information. Connection

Australia has one of the best health systems in the world, but it is not always easy for people to find the information and support they need, when it is needed. Barriers to accessing healthcare impact quality of life and can lead to poorer health outcomes.

No matter where people live in Australia, or what time of the day or night it is, our services support Australians to overcome challenges that make it difficult to access appropriate healthcare. Vast distances can be overcome with a phone call, time pressures are alleviated with 24/7 availability of health professionals and online information, and anyone with access to a phone or the internet can quickly and easily find clinically trustworthy information and advice for their situation.

Our telephony and digital services provide people with alternatives when they might otherwise struggle to access face-to-face services, particularly in the after-hours period or if they are unsure about which course of action to take. People can be given self-care advice, directed to their local GP or pharmacist in opening hours or advised to attend an emergency department.

We also provide rural, remote and vulnerable community groups with access to information, support and services that they otherwise may not have.

By connecting people with an appropriate level of care for their situation, our services reduce pressure on other parts of the health system, making the whole system more efficient and sustainable, particularly as our population grows and ages.

Our quality assurance

Our rigorous clinical governance processes ensure our services are safe, effective, appropriate, consumer-focused, accessible and efficient.

Our clinical governance framework defines measures of safety and quality and is applied to all services we manage. Our Chief Medical Officer oversees a team of in-house clinical experts to advise on the clinical governance of our service operations. This expertise is key to delivering high quality health services.

Our contact centre operations are aligned with the Australian Standard for Health Contact Centres, published in 2019 by Standards Australia. We worked closely with Standards Australia to develop this Standard, drawing on our extensive experience in managing high quality health contact centres.

We align with the Digital Service Standard published by the Digital Transformation Agency (DTA) to apply a user-centred design process to the development and improvement of our services. These best-practice principles guide us in building services that are simple, clear and fast, and support inclusive access to services regardless of a person's ability or environment.

Data governance and information security

To best manage sensitive information in a rapidly changing digital landscape, our data governance processes have evolved to be both compliant with government standards and proactive in risk mitigation. We do this by using information security technology which seeks to protect our data and online assets in their entirety. This foundation of security allows us to leverage data as an asset and use it constructively to generate value for health and support services, and the wider community.

A government focus with an agile delivery method

We understand the difficulties governments face in delivering healthcare solutions that are accessible and appropriate to everyone, right across the country. We have partnered with the governments of Australia for more than 12 years to provide solutions to national and local health challenges. Our services are integrated with and relieve pressure on the broader health system by saving resources, time and lives.

Our not-for-profit government-owned business model ensures that safety, quality and service objectives are not in competition with commercial interests.

We are ideally positioned to deliver and manage the operations of high-value, innovative health and support services on behalf of governments.

Our work complements that of the Australian Digital Health Agency. Our services are key pieces of national health infrastructure which support strategic priorities of the National Digital Health Strategy, including interoperability of healthcare data and digitally enhanced models of care.

As an agile organisation, we can be tasked to develop and trial small scale digital health services to support government priorities. Our established infrastructure allows us to quickly scale up operations to a jurisdictional or national level, while maintaining our stringent quality controls. Our proven track record in rapidly establishing health alert lines demonstrates our agile service delivery capabilities.

Partnering with health experts to improve health literacy

We work with a select group of more than 200 information partners – leading health organisations that include peak bodies, government agencies, research institutes, educational institutes and not-for-profit organisations. Our online services vet and aggregate the high quality, trusted information from our information partner websites, connecting people who are searching for health information with expert sources, while supporting improvements to their health literacy.

We regularly collaborate with universities and research institutes to review and make evidence-based improvements to our tools and services.

From the Chair

Healthdirect Australia was established to empower Australians to manage their own health. We have been achieving this since 2006 by providing multichannel access to appropriate health information, advice and services, supporting more efficient and effective management of health service demand and supporting improvements to people's health literacy. Each month we have more than 4.8 million unique interactions with the community across our full range of services.



“ *This financial year we have continued to make our services and tools available via more channels, improving ease of access for all Australians so they can find the help they need in the right place, at any time.* ”

The Board and I are encouraged by the focusing of our efforts to ensure all strategic and operational activities align with our core mandate: creating value for the community and our government shareholders through the services we deliver in health and community care.

In partnership with the Commonwealth Department of Health, we designed and developed My Aged Care to make access to aged care services easier for older Australians and to support significant reforms to the sector. Launched in 2013, My Aged Care has since had more than 5 million interactions with the community. My Aged Care is now a well-known and trusted service, with well-established operational systems and protocols. With a proven model, the My Aged Care website will now move to management outside of Healthdirect Australia's portfolio while we continue to manage contact centre operations. Healthdirect Australia continues to provide the Department of Health with immediately available bespoke service solutions for critical and sensitive issues.

We worked closely with the Commonwealth Department of Social Services to design and launch Carer Gateway in 2015. As a helpline and website, Carer Gateway connects Australian carers to information, advice and local support services to help them in their caring roles. During our management of the service, Carer Gateway experienced steady growth in website traffic and helpline callers, while becoming more economical through increased service efficiencies. Our management of the Carer Gateway contact centre continues into the new financial year. The Carer Gateway website is being transitioned to new management.

As a not-for-profit company and in accordance with Australian Accounting Standards, we have operated within budget this financial year.

I would like to acknowledge the support of our shareholders and the shareholder committee over the course of this financial year.

I would like to thank Colin Seery for his contribution as Chief Executive Officer of Healthdirect Australia from September 2011 to March 2019. Colin led the company with passion and dedication and was instrumental in growing the range of agile, multichannel, customer-focused digital services managed by Healthdirect Australia.

I welcome Karen Borg as the new Chief Executive Officer. Karen joins us with extensive international and Australian experience across multiple industries both in the public and private sectors. Our Board of Directors is excited to be working with Karen and continuing Healthdirect Australia's journey leading innovative health and service delivery for all Australians.

I would also like to acknowledge my fellow Directors for their energy and commitment in support of the company, our shareholders and the community.

Wayne Cahill, Chair

From the CEO

Healthdirect Australia is committed to delivering the highest quality health and support services to all Australians and this is certainly a mission I am now proud to lead as Chief Executive Officer.

For more than 12 years, Healthdirect Australia has been delivering trusted health information and advice through telephony and digital services to every postcode in Australia. We focus our energy on reaching those who may find it difficult to access face-to-face services, such as vulnerable community groups or people living in rural and remote locations. We achieve this via multichannel services that empower people to make more informed health decisions.



“ *Healthdirect Australia's unique structure acts as a bridge, linking government, industry, and expert health organisations. Our services are built to serve the public, complement and integrate with existing health infrastructure and connect people with the most appropriate information, advice and services for their needs.* ”

In doing this, we deliver value to our shareholders, ensuring the investment made in Healthdirect Australia's services offsets costs in other parts of the health system.

Our rigorous clinical governance, data governance and information security processes give us confidence in the high quality of our services. Our agile approach to service delivery, combined with the latest information technology, allows us to adapt to a rapidly evolving environment and respond to the changing policy priorities of our government funders.

This annual report showcases four of our services: healthdirect, the after hours GP helpline, Pregnancy, Birth and Baby and the National Health Services Directory. We share milestones, success stories and examples of how we design and deliver services to support all Australians.

This year, we celebrated the 8 millionth call to the healthdirect helpline and the healthdirect website continued to be the number one Australian online source of health information, receiving more than 34 million visits.

Pregnancy, Birth and Baby recorded an incredibly high customer satisfaction rate of more than 98 per cent, demonstrating just how valuable this service is for people expecting and caring for children.

Our National Health Services Directory became compliant with the Fast Healthcare Interoperability Resources (FHIR) standard, an internationally recognised framework for interoperability between different systems that hold and share healthcare data.

It is a great pleasure to work with the diverse and talented team here at Healthdirect Australia. Together we make a daily difference in the lives of others and I look forward to continuing to partner with governments across Australia to deliver services which support people to live healthier lives.

Karen Borg, CEO



Corporate governance

Our external and internal governance processes and committees ensure we meet legal, compliance and financial obligations while delivering high-quality, clinically trustworthy services.

The Shareholder Committee represents the interests of our government shareholders. As of 30 June 2019, the committee members were:

- Jacqueline Worsley (NSW Health) (Chair)
- Julie Crowe (Department of Health, TAS)
- Michael Culhane (ACT Health)
- Lyn Dean (SA Health)
- Maggie Jamieson (NT Health)
- Louise Riley (Department of Health, Commonwealth)
- Sally Skevington (Department of Health, WA)

The Shareholder Committee was established by the Australian Health Ministers' Advisory Council (AHMAC) to enable participating jurisdictions to fulfil their roles as shareholders of the company and ensure appropriate governance of the company and communication with AHMAC. AHMAC is the advisory and support body to the Council of Australian Governments (COAG) Health Council, which is responsible to the COAG.

The Board of Directors works closely with the Shareholder Committee to deliver on the shareholders' investment vision and to understand emerging policy priority areas in which Healthdirect Australia can add value. The Board of Directors oversees three internal committees which assist in carrying out its responsibilities (see diagram on page 9).

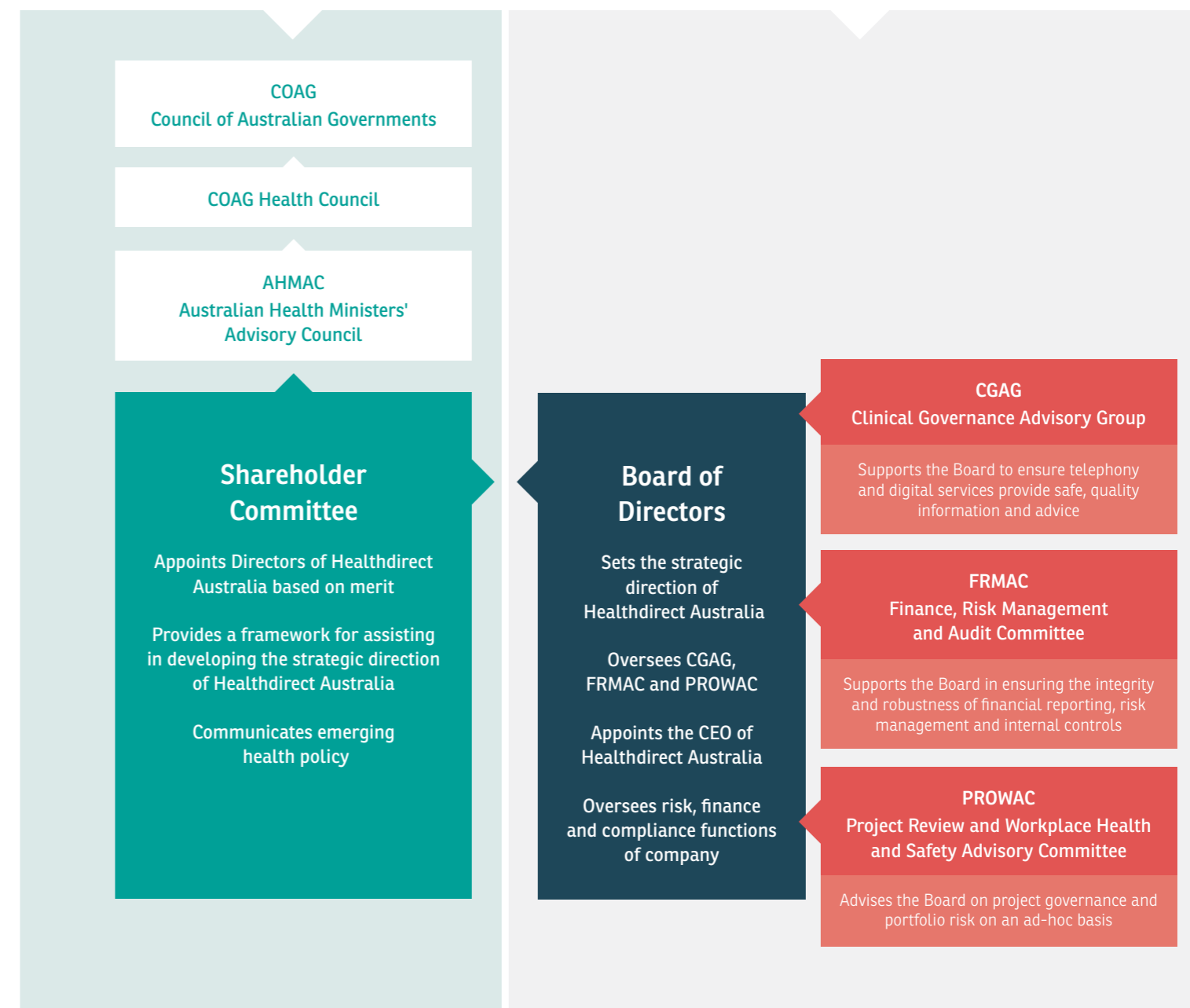
Our government shareholders

Healthdirect Australia is a public company regulated under the Corporations Act and limited by shares. We are jointly funded by the Australian Government and the governments of the Australian Capital Territory, New South Wales, the Northern Territory, Tasmania, South Australia and Western Australia.



External governance

Internal governance



Our services

We deliver a range of telephony and online health and support services. These include large-scale national services and bespoke local solutions.

National services

healthdirect

- 1800 022 222
- healthdirect.gov.au
- healthdirect app
- /HealthdirectAustralia

pregnancybirth&baby

- 1800 882 436
- pregnancybirthbaby.org.au
- Video Call
- /pregnancybirthandbaby

healthdirect
after hours GP helpline

- 1800 022 222

National Health
SERVICES DIRECTORY

- about.healthdirect.gov.au/nhsd

healthdirect
Video Call

- about.healthdirect.gov.au/video-call

Carer Gateway
Australian Government

- 1800 422 737

myagedcare
Australian Government

- 1800 200 422

Bespoke services



Get Healthy
NSW, Qld, SA
NSW Palliative Care
After Hours Helpline
NSW
Medicines Line
WA, NT, SA, NSW, ACT, Tas

**Non-occupational post
exposure prophylaxis helpline**
WA, SA
Residential aged care line
WA
Ambulance Secondary Triage
WA, NSW

Outpatients Direct
WA
SA Parenting Helpline
SA
The Parent Line
Tas



healthdirect

healthdirect provides 24/7 access to health information and advice via a range of digital channels and a telephone helpline to help people make more informed health decisions.

Digital enhancements

The healthdirect website continues to be the number one Australian online source of health information, with more than 34 million visits this year.

We have focused on enriching the service to deliver new online tools and resources, provide a better user experience and increase the health literacy of people seeking health information.

healthdirect Symptom Checker improvements

The healthdirect Symptom Checker is a digital triage tool. On average, people visited the healthdirect Symptom Checker 168,000 times each month to check their symptoms and find out what to do next.

We have simplified healthdirect Symptom Checker access and improved the user experience as people move through the questions, while making the service suggestions provided at the end of the triage more specific to their situations. People can also provide their mobile number and receive an SMS with a link to the information received online, including self-care advice and relevant service locations.

Improvements to healthdirect Symptom Checker and a growing level of engagement have seen the number of visits to the tool increase by more than 50 per cent this year.

Culturally appropriate resources help people navigate the health system

In Australia's multicultural society, language barriers and a limited understanding of the health system present real challenges and can lead to poorer health outcomes for many people from culturally and linguistically diverse backgrounds.

We collaborated with the Federation of Ethnic Communities Councils of Australia (FECCA) and the Western Sydney translation unit of NSW Health, to design a range of free, translated information and resources to assist diverse communities in accessing appropriate healthcare when and where they need it.

The resources were developed following a 2017 research study at Canterbury Hospital in South Western Sydney, conducted by Sydney Local Health District's Health Equity Research and Development Unit, which found new migrant families were more likely to present at emergency departments with non-urgent health concerns due to a lack of understanding of health service alternatives.

The resources are designed to educate people about the role of the general practitioner in providing acute, preventive and long-term care for individuals and families, and to assist people in deciding what level of care they need for their situation.

To reach a broad audience, the resources have been distributed nationally across health professional networks we engage with and are also directly available to the public via the healthdirect website.

Published in a range of formats, including videos, posters and brochures, the resources are available in Arabic, Bengali, Cantonese, Mandarin and Vietnamese (as well as English).

Visual guides to help explain complex health topics

Our monthly content maintenance schedule identified several complex health topics that could be more easily understood with the inclusion of illustrative diagrams aligned with best practice health literacy principles. Several topics have been enhanced including middle ear infection, the digestive system and endometriosis. An infographic was also developed to explain to people how to meet their iron needs. Visual guides can help people with low levels of literacy or language barriers overcome communication difficulties so they can learn about health concepts.

Partnering to share health information

We have formal information partnerships in place with over 203 leading health organisations. These partnerships allow us to source, vet and aggregate expert content and resources in specific health areas and share these widely through our national multichannel services.

This year on the healthdirect website we embedded a range of high-quality videos produced by information partners which explore different health challenges. These include:

- Short stories about autism and fatherhood – Autism Awareness Australia
- FAST: Face-Arms-Speech-Time – the Stroke Foundation
- Your guide to skin cancer – the Australasian College of Dermatologists

We also partnered with EIDO Healthcare Australia to make their range of 140 surgical information fact sheets, such as arthroscopy of the knee, available on the healthdirect website. These consumer-focused, plain language fact sheets contribute to healthy doctor-patient relationships by supporting informed consent for people considering surgery. They are endorsed by the Australian Patients Association.

Increasing access to our trusted content

To make our website content more accessible, we have drawn on the Web Content Accessibility Guidelines, published by the World Wide Web Consortium, and applied a 'Listen' button to most web content. People can click this button and hear the contents of the page read aloud to them. This accessibility feature improves the reach of our trusted health information and supports those with special access requirements.

We have also continued work on developing theme pages which bring related content together. This year we launched a cold and flu information hub, providing a central access point to evidence-based, easily understood content from across the healthdirect website including fact sheets, FAQs, infographics and blog posts.

To help people find more information about topics they are interested in, related concepts are now displayed as tags alongside article pages. This makes it easy to discover and navigate to additional relevant information.



CASE STUDY: New online tool focuses on preventive health

According to the Australian Institute of Health and Welfare report, *Australia's Health 2018*, 50 per cent of Australians are living with at least one chronic condition, many of which are preventable and linked to lifestyle factors. Successful preventive health measures can significantly reduce impacts and costs to the health system.

This year we launched the **healthdirect Risk Checker**, an online tool that helps users determine their level of risk of heart disease, type 2 diabetes and kidney disease. Developed in collaboration with **George Health Technologies** and available via the healthdirect website, the healthdirect Risk Checker asks users a series of questions about their health and lifestyle. It then provides an indication of their disease risk, with advice about what to do next and lifestyle changes that can reduce their risk.

“The healthdirect Risk Checker aims to help people understand their risk and provide advice on how to reduce that risk and live their best, healthiest life.”

**Dr Ruth Webster, Global Head of Medicine
George Health Technologies**

Once people complete their risk assessment, links to further information on the healthdirect website and from information partner organisations are provided to offer people additional support in reducing their risk of these three major preventable diseases.

The **healthdirect Risk Checker** joins a suite of online tools designed to empower people to self-manage their health. Hosted on the healthdirect website these include the **healthdirect Symptom Checker** and a **Question Builder**.

healthdirect helpline

The healthdirect helpline is staffed by registered nurses and has been providing people with triage and advice for more than 12 years. We have received more than 8.6 million calls during this time from people throughout Australia.

This year, the top five health concerns people called the helpline about were medication questions, abdominal pain (adult), limb pain, rashes and cold and flu symptoms.

The healthdirect service helps families:

- **68%** of callers are women
- **44%** of women call about a family member
- **28%** of patients are 0-4 years old
- **A third of calls** for 0-4-year-olds are for vomiting, coughs, colds and flu and rashes
- **1 in 5 callers** for 0-4-year-olds do not know what medical help they need

Review of helpline advice demonstrates quality

One way to assess the safety, quality and clinical appropriateness of the healthdirect helpline, and to highlight areas that may be improved, is through simulated patient scenarios.

In May 2018 we commissioned the University of Melbourne to conduct a review of advice given by the healthdirect helpline, with results available in September 2018. The review method simulated five common scenarios in which people call the helpline for advice, with the nurses' advice scored across a range of measures. The review found that advice given by the helpline nurses was clinically appropriate and that critical safety net advice (instruction on what the caller should do if their situation worsens) was delivered consistently across simulated calls – this was described by reviewers as a strong safety feature of the healthdirect service. The way advice was communicated by the nurses was also rated highly by test callers and expert assessors, with only minor suggestions for improvements. These findings demonstrate that we manage a high quality and robust service and actively look for ways to make improvements.



CASE STUDY: Public health issue requires agile scale up of healthdirect service

The scalable infrastructure and clinical governance of the healthdirect helpline allow us to respond quickly and safely to public health risks.

In August 2018, we were tasked by NSW Health to set up and manage a dedicated 24-hour helpline for patients of a Sydney dental clinic reported for poor hygiene practices. While the health risk to patients was assessed as low, it was acknowledged patients may have had additional concerns that needed to be supported. Working with our service provider, Medibank Health Solutions, a dedicated 1800 number was rapidly operational, receiving 116 calls from patients seeking information.

“We have worked with Healthdirect Australia on a number of occasions. It is very helpful to have established relationships and procedures – each time the process goes more smoothly.”

**Sophie Tyner
Manager, Emergency Response
Coordination, Office of the Chief Health
Officer, NSW Health**

By using existing contact centre arrangements and following our robust clinical governance framework for call handling, we can leverage our agile service delivery capabilities to quickly set up safe and effective add-on services as the need arises.

after hours GP helpline

The after hours GP helpline is an extension of the healthdirect helpline, providing access to medical advice and support from a GP at night, on weekends and during public holidays.

Callers to the healthdirect helpline who may benefit from speaking with a GP are offered the option of receiving a call back within a time frame dependent on the urgency of the situation. The service is designed to support people living in locations where access to face-to-face GP services in the after-hours period is limited.

This year, the after hours GP helpline handled more than 74,000 calls. The top five health concerns people speak with the telephone-based GPs about were vomiting, abdominal pain (adult), rashes, medication questions and cold and flu symptoms.



Boyanup, WA

Sarah's story

When Sarah woke to find her eight-month-old daughter, Niamh, with a high fever and covered in a rash she was worried it might be measles since a case had recently been reported in her area. A health professional herself, she knew prompt advice from the healthdirect helpline would help her make the right decision for her baby.

A trusted service available out of hours

Niamh had been unwell during the day but went to bed without fuss. At three in the morning, Sarah woke to Niamh's cries and saw that her symptoms were much worse.

"I was really concerned about Niamh and quite stressed by the situation. We live in Boyanup, a small town on the south coast of Western Australia. At that time of night and with my partner away on his fly-in, fly-out roster, I was on my own dealing with our sick baby and two-year-old son, Declan," Sarah said.

Sarah had called the healthdirect helpline previously and remembered how helpful the advice had been. With a suspected case of measles on her hands, she once again called 1800 022 222.

"I called healthdirect and spoke with a nurse who took the time to understand my concerns and organised a doctor to call me back. This was just the support I needed," Sarah said.

Peace of mind to make it through the night

The call from the GP gave Sarah reassurance that Niamh's symptoms were not consistent with measles and that she didn't need to seek urgent help that night.

"The doctor was compassionate, calming and very genuine. His professionalism and care meant a great deal to me at a very difficult time."

On the advice of the GP from the after hours GP helpline, Sarah visited her family GP the following day, who diagnosed Niamh with a general rash.

"The service saved me travelling unnecessarily to hospital in the middle of the night with my children. I've saved the healthdirect phone number and will not hesitate to call again," Sarah said.

Pregnancy, Birth and Baby

Pregnancy, Birth and Baby is a national service that provides support and information for parents, families and carers on the journey from pregnancy to pre-school.

To provide people with multiple ways to access the service, Pregnancy, Birth and Baby is available online, over the phone and via video call. The service is also increasingly present across social media networks.

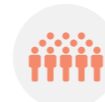
This year, Pregnancy, Birth and Baby has continued to grow in reach while delivering exceptional service.



Maternal child health nurses handled more than **33,000 calls**



Website visits increased by **87.5 per cent** to reach a record of more than **17 million**



Our online community now includes more than **54,000 members**



Customer satisfaction rates are above **98 per cent**

A better experience for vulnerable callers

In October 2018, our service model changed to improve the caller experience and deliver increased efficiencies.

Previously, callers spoke with a maternal child health nurse about the practical aspects of parenting and were transferred to a counsellor or social worker if they also needed emotional support.

Maternal child health nurses are also trained in providing psychosocial support related to the pressures and emotional needs of parents and carers, especially new mothers. A review of callers' concerns indicated that a majority who were transferred to counsellors or social workers could be handled by our maternal child health nurses, eliminating the need for many of our vulnerable callers to speak with different health professionals about their situation.

The new service model has resulted in 14 per cent more calls handled from start to finish by a maternal child health nurse. The small number of callers who do require a higher level of support are referred to specialised telephone-based support services. This approach better supports the whole of the parenting experience and significantly reduces call transfer costs.



Enriching our digital content

Our Pregnancy, Birth and Baby content team is continually focused on producing new, valuable content and reaching new audiences through a range of channels.

This year, we collaborated with Sydney's Muslim Community Radio station 2MFM on a 20-episode podcast series intended to provide information for people planning a pregnancy or expecting a baby. The 'Making sense of pregnancy and birth' podcast was tailored specifically to Muslim communities and features Dianne Zalitis, Clinical Lead for Pregnancy, Birth and Baby, discussing different topics and directing people to the Pregnancy, Birth and Baby website for more information.

Two new videos have been developed for the website to support the needs of culturally and linguistically diverse communities. These explain maternity care in Australia and what pregnant women can expect, and detail community support services available to parents during the first few weeks after bringing home their newborn baby. Currently available in English, these videos are being translated into Arabic, Bengali, Cantonese, Mandarin and Vietnamese.

A new monthly newsletter launched in May 2019, which explains to parents what developmental milestones they can expect their baby to reach in the first year of life. This builds on the success of our existing monthly newsletter, which covers what to expect at different stages of pregnancy and currently has more than 3,000 subscribers.

To help dads prepare for the arrival of their baby, we have developed a new theme page on our website, dad's guide to fatherhood, which links to a range of topics including bringing a baby home, supporting your partner during pregnancy and a dad's guide to breastfeeding. Practical advice can help dads be more confident and involved through pregnancy, birth and child-rearing.

Our visual content library continues to grow. Popular infographics produced this year include bathing a newborn, checkups, scans and tests during pregnancy and setting up a nursery. They are all available from the infographics webpage.

Growing our online community

To reach our audiences we need to be active on the social media platforms they prefer to use and engage with, such as Facebook. By posting popular visual and interactive content, including infographics and videos, and directly engaging with our online community, we have grown our Facebook followers by 27 per cent to more than 54,000 this year.

Our successful Facebook Forums are now a regular part of our social media activity. Designed to increase the number of people who can access the expertise of maternal child health nurses, the one-hour live chat sessions focus on specific topics and allow people to engage in conversations, post questions, and receive answers in real time. Held in August 2018, our most popular forum this year was Introducing solids - Tips and advice which reached 7,257 people.



Franklin, ACT

Patricia's experience with the Facebook forum

As a new mum, Patricia is often looking for help and advice about different aspects of raising her baby boy, Francis.

In February 2019, Patricia was scrolling through her Facebook feed when she noticed a post for an upcoming Pregnancy, Birth and Baby Facebook forum and decided to join.

"I follow the Pregnancy, Birth and Baby Facebook page and when I saw the forum come up in my feed, I thought it sounded really interesting," Patricia said.

The topic was 'Returning to work: Managing your baby's care' and Patricia was able to ask the online maternal child health nurses a question and have it answered straight away.

Patricia Indah Paraswati I've heard that babies/kids get sick often since starting childcare due to the exposure. Do they get sick in the first few weeks of starting the childcare?



Pregnancy Birth and Baby Hi Patricia Indah Paraswati. When babies or toddlers start child care it is normal for them to pick up infections that are in the community. Their developing immune system hasn't all the antibodies for common colds and other viruses so they will be susceptible to illness in an environment like child care which can be a hothouse of bugs. This is very normal and important for the development of the immune system and will actually strengthen it to the point where your child may only suffer 2-3 colds per year. Challenging the immune system will happen to all children at the point where they either enter child care or preschool. Unfortunately, it is very difficult for parents who are working, so you need a plan regarding who stays home to look after your baby when ill. www.pregnancybirthandbaby.org.au/how-to-tell-if-your-child-is-sick

Patricia was impressed with the response from the maternal child health nurse.

"I found the wording and the way things were explained quite professional. I was very happy with the answer given."





"I was really surprised that I could ask the nurses questions online and get an answer straight away and see other people's questions and answers too. I'll definitely be looking out for the next Facebook forum to join," said Patricia.

National Health Services Directory

The National Health Services Directory (NHSD) is a comprehensive, up-to-date and accurate online directory of Australian health services and the practitioners who provide them. It is a key piece of national digital health infrastructure.

This year, the NHSD was accessed more than 160 million times by consumers and health professionals seeking health service and practitioner information.

The NHSD has:

-  Information about **250** different types of health services
-  Over **155,000** individual health services listed
-  Over **93,000** active health practitioners listed
-  **580** new health services added each month

Data governance capability

This year, we have continued to build our data governance capability under the guidance of the NHSD Data Governance Committee, which is comprised of representatives from state and territory health departments, the Australian Digital Health Agency, Primary Health Networks and Allied Health Professions Australia. The Data Governance Committee is responsible for data policy, operational oversight and the quality metrics of the NHSD and directs how the NHSD can best support health data challenges across jurisdictions.

NHSD Data Governance Committee member organisations



The NHSD is integrated with more than 100 health sector organisations and systems, underpinning essential services around the country. These include Ambulance Victoria, the Royal Flying Doctor Service and the healthdirect helpline.

Consumers use the NHSD to find health services, appropriate health practitioners and health organisations. Health professionals and service providers use the NHSD to locate and communicate with other health professionals and service providers and share information such as referrals and discharge summaries. Government health departments and researchers use the information in the NHSD for reporting, analysis and planning.

This year, we have continued to improve the quality, reliability and scalability of information in the NHSD, while ensuring our data management processes are transparent and best practice.

Improving data quality

We have established data sharing agreements to source NHSD data from existing trusted databases managed by organisations that include the Department of Human Services (Medicare database) and the Australian Health Practitioner Regulation Agency (Register of Practitioners). This new data management model ensures NHSD data is aligned with the most current and high-quality data available, driving efficiencies by removing reliance on manual data entry. These improvements make the NHSD a more reliable and accurate resource for people who are looking for health service and practitioner information.

Data accessed via the NHSD contains core information fields that align with other major national databases, ensuring consistency across data sets and allowing easy synchronisation between systems.

Supporting interoperability across the health system

In support of the Australian Digital Health Agency's national strategy for better digital integration across the health system, the infrastructure of the NHSD has been upgraded to comply with the Fast Healthcare Interoperability Resources (FHIR) standard for healthcare data exchange. This internationally recognised standard provides a framework for interoperability between different systems that hold and share healthcare data.

Achieving compliance with the FHIR standard was a significant undertaking for Healthdirect Australia this year. Our team developed a new FHIR-compliant application programming interface (API) that allows the NHSD to integrate seamlessly with other digital health systems. The information architecture of the directory now adheres to SNOMED CT-AU, an Australia-specific extension of the international SNOMED CT standard for health terminology. The Australian Health Thesaurus, a piece of infrastructure purpose-built by Healthdirect Australia to support universal search functionality across our websites, also now aligns with SNOMED CT-AU, maintaining integration between our services.

A new API for consumers and app developers

To enable easier access to NHSD data for consumers and developers of consumer-facing apps, this year we developed a new consumer-facing API that draws information from the NHSD and displays it optimally so people can more easily locate and connect with appropriate services in their area.

Set to launch in July 2019, the new consumer-facing API has been enhanced with key features:

- Grouped location pins more clearly show where services are in an area.
- Filters such as 'bulk-billing' or 'wheelchair accessible' make searching for specific requirements simpler.

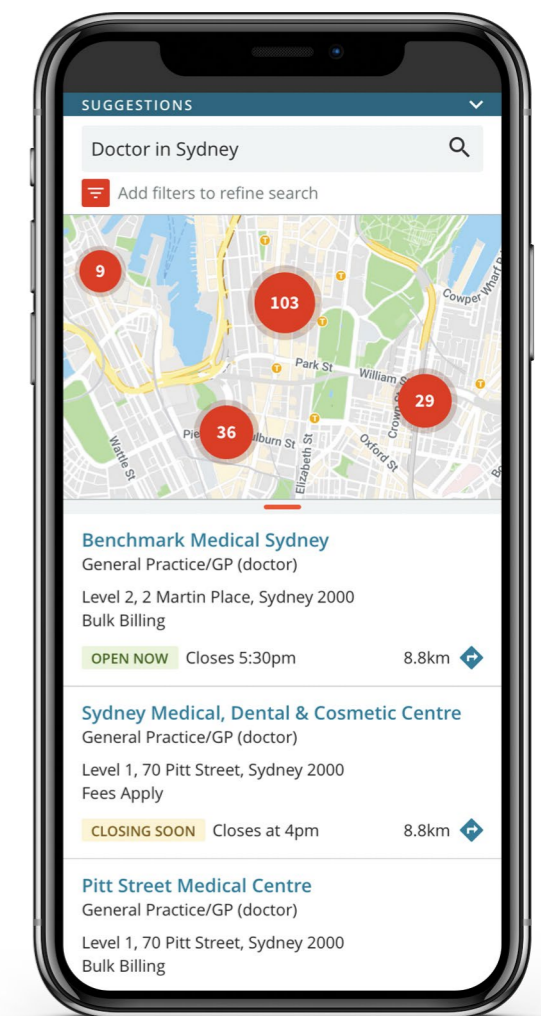
The first practical application for the new consumer-facing API is as part of our new and improved consumer search widget, which is embedded in more than 70 websites nationally and allows live search of NHSD data in a mobile-friendly interface by people looking for health services. A new widget feature allows people to quickly see if local services are open or closed using green and red colour-coded labels.



FHIR compliance benefits

With the task of becoming FHIR-compliant now complete, the major benefits to NHSD infrastructure include:

- Simpler transfer of medical records between healthcare providers, improving continuity of care for patients.
- Increased speed and ease in connecting with and accessing NHSD data, promoting greater usage of the NHSD across the health system.
- Simple search terms return complex, specific and relevant service options to people who are looking for health services. This supports those with limited health literacy navigate the complex Australian health system.



Our people

Our people are the most important part of our business. We employ a dynamic group of professionals with a broad range of skills to ensure we have the in-house capabilities to deliver robust, trustworthy and high-quality health services.

Based in Sydney, our talented staff specialise in clinical governance, digital content management, technology governance, information security, website and application development, communications, analytics and other business services.

Working in a predominantly agile environment, we assemble flexible teams to deliver on services and projects in the most efficient timeframes, with continuing quality review and evaluation.

We value being engaged in purposeful work, which fosters a strong culture of collaboration that supports the best results for our services.

Our staff are proud to make a daily difference in the lives of others through their work (L-R): Noor Shah, Dianne Zalitis, David Raufauore, Tina Jang and Israel Perez

Learning and development

Supporting our people in developing their technical skills is crucial to ensuring we retain the expertise needed to deliver innovative and accessible digital health services in a highly competitive environment. Each year, every staff member, in consultation with their manager, sets their own skills-based goals.

This year, more than 70 per cent of staff participated in workshops, seminars or online courses. Knowledge sharing is important to us, so our internal specialists – and occasionally, visiting experts – regularly present open sessions to staff on a range of professional and developmental topics.

Finding balance

At Healthdirect Australia, there is a strong focus on wellbeing and enabling people to find balance between their professional, family and community commitments. Our people work in a family-friendly environment where they can salary sacrifice for additional leave and access flexible work arrangements.

Employees are encouraged to look after their health and wellbeing and are supported through a range of initiatives including end-of-trip facilities and free annual flu vaccinations.

Our executive team

Our leadership team brings great depth of knowledge and experience to Healthdirect Australia, working together to ensure the day-to-day operation of the business supports the achievement of long-term strategic goals and government priorities.

Financial statements

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These financial statements are the financial statements of Healthdirect Australia Limited as an individual entity. The financial statements are presented in Australian dollars.

The financial statements were authorised for issue by the Directors on 10 October 2019. The Directors have the power to amend and reissue the financial statements.



Directors' report

Your Directors present their report on Healthdirect Australia Limited trading as Healthdirect Australia (referred to hereafter as the Company) for the year ended 30 June 2019.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report:

W Cahill
J Muirsmith
M Beckoff
P Dowling
D Ashbridge
M Lavery
P Jurd

Information on Directors as at the date of this report

Mr Wayne Cahill, Chair

Appointed Chair July 2018, Director since January 2016

Mr Cahill has been a corporate partner of Blake Dawson/Ashurst, and formerly Hunt & Hunt, for more than 25 years, specialising in commercial health and aged care work, and has previously held chief executive positions with major health organisations.

Mr Cahill is a Director of Navy Health and a member of its Audit and Compliance Committee and Remuneration and Nomination Committee. He is also a Director and Chair of Co-Group and Homestay Limited.

Mr Cahill has been a Director and Chairman/President of the Australasian College of Health Services Management and a Director of HealthQuest, Blake Dawson Partners Superannuation Fund, the Health Services Association of New South Wales, the Institute of Magnetic Resonance Research, Macquarie Area Health Service and the Skin and Cancer Foundation Australia. He has been acknowledged by his legal peers as a leading Australian lawyer in health and aged care and corporate law in Best Lawyers (2008-2020, inclusive).

Qualifications

Bachelor of Health Administration (BHA)
Bachelor of Laws (LLB)
Master of Commerce (MCom)
Fellow of the Australasian College of Health Service Management (FCHSM)
Fellow of the Australian Institute of Company Directors (FAICD)

Special responsibilities

Chair of the Board
Member of the Finance, Risk Management and Audit Committee (FRMAC)
Member of the Project Review and Workplace Health and Safety Advisory Committee (PROWAC)
Ex-officio member of the Clinical Governance Advisory Committee (CGAG)

Mrs Jane Muirsmith, Director

Appointed January 2016

Mrs Muirsmith is an accomplished digital and marketing strategist, having held several executive positions in Sydney, New York, Melbourne, Singapore and Perth.

Mrs Muirsmith is Managing Director of Lenox Hill, a digital strategy and advisory firm, and is a Non-Executive Director of Cedar Woods Properties Ltd, Australian Finance Group (AFG) and the Telethon Kids Institute.

Mrs Muirsmith is Chair of the Western Australian Business Advisory Committee at Chartered Accountants in Australia and New Zealand, a member of the Ambassadorial Council – UWA Business School, and a former President of the Women's Advisory Council of the Western Australian Government.

Qualifications

Bachelor of Commerce with Honours (BCom (Hons))
Fellow of Chartered Accountants Australia and New Zealand (FCA ANZ)
Graduate of the Australian Institute of Company Directors (GAICD)

Special responsibilities

Chair of the Finance, Risk Management and Audit Committee (FRMAC)
Member of the Project Review and Workplace Health and Safety Advisory Committee (PROWAC)

Dr Michael Beckoff, Director

Appointed January 2016

Dr Beckoff is a procedural rural generalist with over 40 years' experience, currently working as a locum in regional, rural and remote areas of Australia.

Dr Beckoff is a Director and Vice President of the Australian College of Rural and Remote Medicine (ACRRM), Chair of Rural Doctors Workforce Agency (RDWA) in South Australia, Clinical Adviser for Country Health South Australia Local Hospital Network (CHSALHN), Chair of the Board of the Murray Mallee GP Network (MMGPN) and Chair of the SA MET Professional Medical Colleges Committee.

After graduating from the University of Adelaide and completing post-graduate training positions, Dr Beckoff joined Bridge Clinic at Murray Bridge, South Australia in 1977 where he was an equity partner for 33 years. Other previous roles include Inaugural Member of the South Australia Health Performance Council and Chair of General Practice South Australia.

Qualifications

Bachelor of Medicine, Bachelor of Surgery (MBBS)
Fellow of the Australian College of Rural and Remote Medicine (FACRRM)
Fellow of the Australian Institute of Company Directors (FAICD)
Associate Diploma in Agriculture (AssocDipAgric)

Special responsibilities

Chair of the Clinical Governance Advisory Group (CGAG)

Professor David Ashbridge, Director

Appointed July 2018

Professor Ashbridge has held senior roles in health in both state and Commonwealth governments. Most recently, he was CEO of Barwon Health and prior to taking up this position, Professor Ashbridge worked for 22 years in the Northern Territory where he practised initially as a remote area medical officer in Aboriginal communities. Professor Ashbridge moved into health administration and was CEO of the Northern Territory Department of Health from 2006 to 2010. Professor Ashbridge is a member of the Royal College of General Practitioners (MRCGP).

Qualifications

Bachelor of Medicine, Bachelor of Surgery (MBBS)
Diploma in Child Health (DipChildHealth)
Diploma in Tropical Medicine (DipTropMed)
Master of Public Health (MPH)
Graduate of the Australian Institute of Company Directors (GAICD)

Special responsibilities

Member of the Clinical Governance Advisory Group (CGAG)

Mr Peter G. Dowling AM, Director

Appointed January 2016

Mr Dowling is an accountant and former Ernst & Young Partner. An experienced company director and independent audit and risk committee member, Mr Dowling's current board appointments include Metro South Hospital and Health Service and TAFE Queensland, among others.

Mr Dowling's independent audit and risk committee roles include Queensland local governments and state agencies. In 2007, Mr Dowling was made a Member of the Order of Australia for services to accountancy and the community.

Qualifications and honours

Member of the Order of Australia (AM)
Bachelor of Accounting (BA(Acc.))
Fellow of Certified Practising Accountants Australia (FCPA)
Fellow of the Australian Institute of Company Directors (FAICD)

Special responsibilities

Member of the Finance, Risk Management and Audit Committee (FRMAC)

Ms Peta Jurd, Director

Appointed July 2018

Ms Jurd is the Chief Commercial Officer and Company Secretary of digital health technology company Simavita Limited. Prior to this, she was Executive Director at Technology Enabling Healthcare and Head of Health Solutions at Hills Limited. Ms Jurd has also held senior management positions at Telstra, Veolia Environmental Services and Mayne Nickless Health Care.

Ms Jurd has more than 17 years' experience in healthcare and has substantial Board director experience in a variety of roles including eight years as a Board Director for the National Breast Cancer Foundation.

Qualifications

Bachelor of Commerce (BCom)
Diploma in Law (Legal Practitioners Admission Board)
Diploma in Corporate Management (Institute of Corp. Managers, Secretaries & Administrators)
Stanford University Executive Program in Strategy and Organisation
Fellow of the Australian Institute of Company Directors (FAICD)
Member of Certified Practising Accountants Australia (CPA)

Special responsibilities

Member of the Clinical Governance Advisory Group (CGAG)
Member of the Project Review and Workplace Health and Safety Advisory Committee (PROWAC)

Financial statements

Dr Martin Laverty, Director *Appointed July 2018*

Dr Laverty is the General Secretary of the Australian Medical Association. He is Deputy Chair of the Australian Charities and Not-for-profits Commission Advisory Board and Director of the National Disability Insurance Agency. Dr Laverty has formerly been the Chief Executive of the Royal Flying Doctor Service of Australia, a member of the NSW Public Service Commission Board, a director of the National Heart Foundation, a member of the Australian Government Aged Care Sector Advisory Committee, a member of the National Health Performance Authority's Private Hospital Committee, and the Australian Catholic University Faculty of Health Sciences Advisory Board.

A lawyer by training, his doctoral thesis was on the contribution of health board directors to organisational outcomes.

Qualifications

Master of Laws (LLM)
 Doctor of Philosophy (PhD)

Special responsibilities

Member of the Finance, Risk Management and Audit Committee (FRMAC)

Information on Chief Executive and Company Secretary

Ms Karen Borg, Chief Executive Officer *Appointed April 2019*

Ms Borg has extensive experience across multiple industry sectors and has led organisational transformation and growth in emerging and mature markets in the Asia-Pacific region, the USA and Europe.

Prior to joining Healthdirect Australia, Ms Borg was the inaugural CEO of Jobs for NSW, where she led a combined public and private sector team that redesigned government support for private enterprise. Ms Borg was previously President Asia Pacific at ResMed, and Global Vice President at Johnson & Johnson. Ms Borg has also held senior leadership positions at Revlon, Seagram, Goodman Fielder and Nestlé.

Qualifications

Bachelor of Arts (BA)

Mr Colin Seery, Chief Executive Officer *Appointed September 2011, resigned March 2019*

Mr Seery has held leadership positions in the health sector for more than 20 years. Previously Mr Seery was Managing Director of the National Safety Council of Australia, and prior to that he held senior executive positions with the Hospital Benefits Association and Sano Consulting.

Mr Seery has worked across a broad spectrum of health sector issues including governance, policy development, stakeholder engagement and advocacy.

Mr Seery spent seven years in management positions at the Sydney Swans Football Club, where he was appointed Chief Executive Officer in 2002.

Qualifications

Bachelor of Applied Science (BAppSc)
 Diploma of Education (DipEd)
 Master of Business Administration (MBA)
 Graduate of the Australian Institute of Company Directors (GAICD)

Ms Fleur Katsmartin, Company Secretary *Appointed June 2017*

Ms Katsmartin is Senior Legal Counsel at Healthdirect Australia and has been with the Company since 2013. Ms Katsmartin has more than 12 years' legal experience with a focus on government and commercial advisory.

Prior to joining Healthdirect Australia, Ms Katsmartin was a Senior Lawyer at the Australian Government Solicitor and Senior Associate at Lander & Rogers Lawyers.

Ms Katsmartin is a Director for Sisters Housing Enterprises Inc in Wagga Wagga.

Qualifications

Bachelor of Arts (BA)
 Bachelor of Laws with Honours (LLB (Hons))
 Graduate Diploma of Legal Practice (GDLP)
 Graduate of the Australian Institute of Company Directors (GAICD)

Financial statements

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each board committee held during the financial year ended 30 June 2019, and the numbers of meetings attended by each Director were:

	Full meetings of Directors		Finance, Risk Management and Audit Committee		Clinical Governance Advisory Group		Project Review and Workplace Health and Safety Advisory Committee	
	A	B	A	B	A	B	A	B
W Cahill	6	6	7	7	3*	n/a	1	1
J Muirsmith	6	6	7	7	1*	n/a	1	1
M Beckoff	6	6	1*	n/a	4	4	n/a	n/a
D Ashbridge	6	6	n/a	n/a	4	4	n/a	n/a
P Dowling	6	6	7	7	n/a	n/a	n/a	n/a
P Jurd	5	6	n/a	n/a	4	4	1	1
M Laverty	5	6	5	7	n/a	n/a	n/a	n/a

A = Number of meetings attended

B = Number of meetings held during the time the Director held office

* = Attended in ex-officio capacity

Principal activities

The principal activities of the Company during the period are outlined below:

- Aggregate, procure and evaluate publicly funded health and related services, as well as design and implement innovative digital health services on behalf of all Australian governments.
- Provide all Australians with access to the right health advice and the most appropriate health services for their needs, when and where they need it.

There was no significant change in the Company's state of affairs during the financial year, with the exception of the Company's management of My Aged Care, which from 24 June 2019 we are only responsible for delivering the contact centre service.

Operations

A summary of the Company's operations is contained on pages 4-20.

Financial statements

Operating results

This financial year the Company was focused on aligning strategic and operational activities with our core mandate: to create value for the community and our government shareholders through the services we deliver in health and community care.

The healthdirect website was enhanced with an upgraded Symptom Checker, resulting in increased usage. A series of online materials to assist people from culturally diverse backgrounds better navigate the health system was produced in multiple languages. To help people with special requirements access health articles on healthdirect, webpages can now be read aloud. The online healthdirect Risk Checker was developed in partnership with George Health Technologies.

The Pregnancy, Birth and Baby service was enhanced to improve caller experiences by reducing transfers to specialist services that our Maternal Child Health Nurses are qualified to handle. The service also focused on enriching its digital channels through more content, such as infographics. The Pregnancy, Birth and Baby Facebook forums continue to be a successful.

The National Health Services Directory (NHSD) established data-sharing arrangements to draw on existing trusted health databases and remove reliance on manual data entry. The NHSD became compliant with the Fast Healthcare Interoperability Resources standard to healthcare data exchange. This led to the development of a new application programming interface to ensure the NHSD integrates seamlessly with other health systems.

To support this activity and the ongoing operations of the existing services, the Company experienced significant levels of expenditure, all of which was directly funded by each project or service.

The Company's recorded operating deficit is \$748,368. This reflects the depreciation of assets funded in prior years exceeding the funding received for assets purchased this year. The application of AASB 16 increased the expenditure incurred during the current year. The bulk of grants received by the Company are recognised as revenue in the period when the terms and conditions of the grants have been met. If those funds are not fully expended before the financial year end, the unexpended amounts are recognised as an unearned revenue liability in accordance with the new revenue recognition standard, AASB 15.

Dividends and distributions

The Company did not pay any dividends or distributions to shareholders during the year.

Insurance of Officers

The Company entered into deeds of access, insurance and indemnity with Directors. Under these deeds, the Company indemnifies, to the extent permissible by law and subject to the prohibitions in section 199A of the *Corporations Act 2001 (Cth)*, each of the Directors who have entered into deeds, against any and all liabilities incurred by the Directors as officers of the Company, and against any and all reasonable legal costs incurred by the Directors in defending action for a liability incurred, or allegedly incurred, by the Directors as officers of the Company. During the financial year, the Company paid a premium of \$29,800 (2018: \$31,055) to insure the Directors and Officers of the Company.

Financial statements

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001 (Cth)* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001 (Cth)*.

Matters subsequent to the end of the financial year

The Directors are not aware of any matters that have arisen subsequent to the end of the financial year that may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out on page 28.

Auditor

Crowe South Queensland continues in office in accordance with section 327 of the *Corporations Act 2001 (Cth)*.

This report is made and signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001 (Cth)*.



Wayne Cahill

Chair

Sydney

10 October 2019

Auditor's independence declaration



10 October 2019

The Board of Directors
 Healthdirect Australia Limited
 Level 4, 477 Pitt Street
 SYDNEY NSW 2000

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Dear Board Members

Healthdirect Australia Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Healthdirect Australia Limited.

As lead audit partner for the audit of the financial report of Healthdirect Australia Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Crowe South Queensland

Suwarti Asmono
 Partner

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe South QLD, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.
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Independent auditor's report to the members



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Independent Auditor's Report to the Members of Healthdirect Australia Limited

Opinion

We have audited the financial report of Healthdirect Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Healthdirect Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements report 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 auditor independence requirements of 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* (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 title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe South QLD, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.
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Independent Auditor's Report

Healthdirect Australia Limited

Other Matter

We draw attention to Note 1(o) that describes the Company's economic dependence on the receipts of government grants.

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors 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 – Reduce Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Independent Auditor's Report

Healthdirect Australia Limited

- 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 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.

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

Crowe South Queensland

Crowe South Queensland



Suwarta Asmono
 Partner

10 October 2019
 Sydney

Director's declaration

In the Directors' opinion:

- A. The financial statements and notes set out on pages 33 to 53 are in accordance with the *Corporations Act 2001 (Cth)*, including:
- Complying with Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements.
 - Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance, as represented by the results of the Company's operations, changes in equity and its cash flows, for the financial year ended on that date.
- B. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Wayne Cahill
Chair
Sydney
10 October 2019

Statement of comprehensive income

	Notes	2019 (\$)	2018 (\$)
Revenue from contracts with customers	3	125,070,989	118,007,102
Other income	4	6,012,846	1,739,975
Expenses			
Call centre costs		(85,478,782)	(84,656,780)
Depreciation and amortisation expense	5	(2,079,247)	(2,465,815)
Employee benefit expenses	5	(28,271,838)	(30,315,025)
Legal, risk management and audit fees		(289,626)	(605,748)
Software research and development		(2,366,777)	(2,112,261)
Marketing and advertising		(814,349)	(1,394,299)
Outsourcing and consultancy fees		(3,201,197)	(2,888,390)
Office cost	5	(1,815,230)	(3,150,459)
Technology support		(6,065,390)	(5,285,653)
Travel and entertainment		(399,202)	(527,960)
Website management		(861,202)	(1,013,460)
Other expenses		(189,363)	(64,692)
Total expenses		(131,832,203)	(134,480,542)
(Loss) before income tax		(748,368)	(14,733,465)
Income tax benefit	6	217,875	4,413,410
(Loss) from continuing operations		(530,493)	(10,320,055)
(Loss) for the year and total comprehensive (loss) for the year		(530,493)	(10,320,055)
(Loss) is attributable to:			
Shareholders of Healthdirect Australia Ltd		(530,493)	(10,320,055)
		(530,493)	(10,320,055)
Total comprehensive (loss) for the year is attributable to:			
Shareholders of Healthdirect Australia Ltd		(530,493)	(10,320,055)
		(530,493)	(10,320,055)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	2019 (\$)	2018 (\$)
ASSETS			
Current assets			
Cash and cash equivalents	7	39,656,407	44,894,746
Trade and other receivables	8	6,907,698	7,933,653
Prepayments		784,955	790,466
Financial assets at amortised cost	9	10,423,037	14,774,830
Other current assets	10	876,625	282,652
Total current assets		58,648,722	68,676,347
Non-current assets			
Financial assets at amortised cost	11	5,592,502	5,754,863
Property, plant and equipment	12	16,164,779	1,210,579
Intangible assets	13	5,616	204,459
Prepayments		-	86,123
Total non-current assets		21,762,897	7,256,024
Total assets		80,411,619	75,932,371
LIABILITIES			
Current liabilities			
Trade and other payables	14	12,589,400	13,528,621
Unearned revenue	15	47,012,012	3,121,282
Provision	16	583,693	-
Employee benefits obligation	17	1,196,632	1,362,798
Lease liability		1,633,360	-
Other current liabilities	18	1,667	94,587
Total current liabilities		63,016,764	18,107,288
Non-current liabilities			
Deferred tax liabilities	19	2,258,411	14,986,398
Employee benefits obligation	20	372,146	270,216
Provision for lease make good		702,723	-
Lease liability		13,404,038	-
Total non-current liabilities		16,737,318	15,256,614
Total liabilities		79,754,082	33,363,902
Net assets		657,537	42,568,469
EQUITY			
Contributed equity	21	392	392
Reserves		-	40,633,927
Retained surplus		657,145	1,934,150
Total equity		657,537	42,568,469

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

Statement of changes in equity

	Notes	Contributed equity (\$)	Reserves (\$)	Retained earnings (\$)	Total equity (\$)
Balance at 1 July 2017		392	49,045,518	3,842,614	52,888,524
Profit for the year		-	-	(10,320,055)	(10,320,055)
Transfer to reserves		-	(8,411,591)	8,411,591	-
Balance at 30 June 2018		392	40,633,927	1,934,150	42,568,469
Balance at 1 July 2018		392	40,633,927	1,934,150	42,568,469
Adjustment for change in accounting policy	1(a)	-	(40,633,927)	(746,512)	(41,380,439)
Balance at 1 July 2018 - restated		392	-	1,187,638	1,188,030
Loss for the year		-	-	(530,493)	(530,493)
Balance at 30 June 2019		392	-	657,145	657,537

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

Statement of cash flows

	Notes	2019 (\$)	2018 (\$)
Cash flows from operating activities			
Receipts from funding agreements and lease incentive		124,778,367	112,977,785
Payments to suppliers and employees		(132,216,078)	(133,339,219)
Interest received		796,932	1,462,656
Income taxes received		-	100,186
Net cash (outflow)/inflow from operating activities		(6,640,779)	(18,798,592)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(3,272,902)	(557,351)
Proceeds from financial assets at amortised cost		4,000,000	20,000,000
Proceeds from/(Payments for) term deposits		675,342	(5,754,863)
Net cash inflow/(outflow) from investing activities		1,402,440	13,687,786
Net (decrease)/increase in cash and cash equivalents		(5,238,339)	(5,110,806)
Cash and cash equivalents at the beginning of the financial year		44,894,746	50,005,552
Cash and cash equivalents at the end of the financial year	7	39,656,407	44,894,746

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

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1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. New Accounting Standards adopted

The Company has adopted the Accounting Standard below issued by the Australian Accounting Standards Board ('AASB').

i. AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition, in which case, the lifetime ECL method is adopted.

Impact of adoption

The reclassification of held to maturity investments to financial asset at amortised cost.

The Company has early adopted the following new Accounting Standards issued by the AASB.

ii. AASB 15 Revenue from Contracts with Customers

The Company has early adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

iii. AASB 1058 Income of Not-for-profit Entities

The Company has early adopted AASB 1058 from 1 July 2018. This standard establishes principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the receipt of volunteer services. This standard also applies to contracts with customers that do not meet the criteria to be recognised under AASB 15.

iv. AASB 16 Leases

The Company has early adopted AASB 16 from 1 July 2018. The standard introduces a single, on-balance sheet lease accounting model for lessees. The Company, a lessee, recognises a right-of-use asset representing the right to use the underlying asset and a lease liability representing the Company obligation to make lease payments. The Company has adopted the new standard on two leases: new premises lease and new office equipment.

The Company has elected not to measure the right-of-use assets and lease liability as at 1 July 2018 for leases which expired within 12 months of 1 July 2018. These leases are accounted for as short-term leases under AASB 16.

Impact of adoption

These standards were adopted using the modified retrospective approach and as such comparatives have not been restated.

The impact of adoption on opening Reserves as at 1 July 2018 was as follows:

	AASB 9	AASB 15	AASB 1058	AASB 16	2019 (\$)
Opening Reserves at 1 July 2018					40,633,927
Unearned revenue (AASB 15)	-	(38,998,871)	-	-	(38,998,871)
Transfer to retained earnings	-	746,512	-	-	746,512
Transfer to provision	-	-	(2,381,568)	-	(2,381,568)
Restated Reserves at 1 July 2018					-

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

Statement of comprehensive income

	New 2019 (\$)	Previous 2019 (\$)	Difference 2019 (\$)
Revenue	125,070,989	120,164,867	4,906,122 ¹
Other income	6,012,846	1,114,191	4,898,655 ^{1,2}
Expenses			
Call centre costs	(85,478,782)	(85,478,782)	-
Depreciation and amortisation expense	(2,079,247)	(1,209,381)	(869,866) ³
Employee benefit expenses	(28,271,838)	(28,271,838)	-
Legal, risk management and audit fees	(289,626)	(289,626)	-
Software research and development	(2,366,777)	(2,366,777)	-
Marketing and advertising	(814,349)	(814,349)	-
Outsourcing and consultancy fees	(3,201,197)	(3,201,197)	-
Office cost	(1,815,230)	(2,827,831)	1,012,601 ³
Technology support	(6,065,390)	(6,065,390)	-
Travel and entertainment	(399,202)	(399,202)	-
Website management	(861,202)	(861,202)	-
Other expenses	(189,363)	(22,053)	(167,310) ³
Total expenses	(131,832,203)	(131,807,628)	(24,575)
(Loss) before income tax	(748,368)	(10,528,570)	9,780,202
Income tax benefit	217,875	3,137,735	(2,919,860)
(Loss) for the year and total comprehensive (loss) for the year	(530,493)	(7,390,835)	6,860,342

¹ Impact attributed to AASB 15

² Impact attributed to AASB 1058

³ Impact attributed to AASB 16

Statement of financial position

	New 2019 (\$)	Previous 2019 (\$)	Difference 2019 (\$)
ASSETS			
Current assets			
Cash and cash equivalents	39,656,407	39,656,407	-
Trade and other receivables	6,907,698	6,907,698	-
Prepayments	784,955	784,955	-
Financial assets at amortised cost	10,423,037	10,423,037	-
Other current assets	876,625	-	876,625 ²
Total current assets	58,648,722	57,772,097	876,625
Non-current assets			
Financial assets at amortised cost	5,592,502	5,592,502	-
Property, plant and equipment	16,164,779	4,153,787	12,010,992 ³
Intangible assets	5,616	5,616	-
Prepayments	-	-	-
Total non-current assets	21,762,897	9,751,905	12,010,992
Total assets	80,411,619	67,524,002	12,887,617
LIABILITIES			
Current liabilities			
Trade and other payables	12,589,400	12,589,400	-
Unearned revenue	47,012,012	2,834,799	44,177,213 ¹
Provision	583,693	-	583,693 ²
Employee benefits obligation	1,196,632	1,196,632	-
Lease liability	1,633,360	368,056	1,265,304 ³
Other current liabilities	1,667	1,667	-
Total current liabilities	63,016,764	16,990,554	46,026,210
Non-current liabilities			
Deferred tax liabilities	2,258,411	11,848,664	(9,590,253) ^{1,2}
Employee benefits obligation	372,146	372,146	-
Provision for lease make good	702,723	702,723	-
Lease liability	13,404,038	2,432,281	10,971,757 ³
Total non-current liabilities	16,737,318	15,355,814	1,381,504
Total liabilities	79,754,082	32,346,368	47,407,714
Net assets	657,537	35,177,634	(34,520,097)
EQUITY			
Contributed equity	392	392	-
Reserves	-	33,881,294	(33,881,294) ^{1,2}
Retained surplus	657,145	1,295,948	(638,803) ^{1,2}
Total equity	657,537	35,177,634	(34,520,097)

¹ Impact attributed to AASB 15 ² Impact attributed to AASB 1058 ³ Impact attributed to AASB 16

b. Basis of preparation

This financial report is a general purpose financial report and has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001 (Cth)*.

The Company is a not-for-profit entity for the purpose of preparing the financial statements.

i. Historical cost convention

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

ii. Critical accounting estimates

The preparation of 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 a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

c. Statement of compliance

This financial report has been prepared in accordance with and is compliant with the Australian Accounting Standards - Reduced Disclosure Requirements.

d. Revenue recognition

The Company recognises revenue as follows:

i. Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Any consideration received over the expected entitlement is recognised as a contracts liability owed to jurisdictions, of \$44.2 million (2018:nil), as disclosed in Note 15.

ii. Funding from governments

Funding from governments are accounted in accordance with AASB 15 if the promises to be delivered are sufficiently specific.

iii. Funding from government grants

Funding from government grants that are within the scope of AASB 1058 are recognised as income when the Company has contractual rights to receive the funding. All invoices are issued in accordance with a predetermined schedule detailed in the specific funding agreement.

iv. Unearned revenue

Amounts received in advance when the Company has not met all the conditions to obtain the control of the funding are accounted for as unearned revenue. Three invoices (2018: one invoice) to the sum of \$3.0 million were invoiced during June 2019 (2018: \$0.1 million), however as they relate to the next financial year, they have been recorded as unearned revenue and are classified in the statement of financial position as a current liability. A further \$2.8 million remains unspent at 30 June 2019 (2018: \$3.1 million) from invoices issued during the previous financial year.

In prior years revenue was measured at the fair value of the consideration received or receivable. The Company recognised revenue when: the amount of revenue can be reliably measured; it was probable that future economic benefits flow to the Company; and specific criteria had been met for each of the Company's activities. The Company based its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

In prior years, funding from governments was recognised at fair value when the entity had met all the conditions that make it eligible to receive the funding. All invoices were issued in accordance with a predetermined schedule detailed in the specific funding agreement.

v. Interest income

In the comparative year, revenue is recognised as interest accrues using the effective interest rate method.

e. Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Unexpended grant income is excluded from taxable income in accordance with the Australian Taxation Office's tax ruling 2006/3. Grant income is only considered to be taxable when all of the requirements stipulated within the funding agreement have been met.

A one-off adjustment of \$12.5 million to the deferred tax liabilities was made on 1 July 2018 relating to the early adoption of AASB 15 and AASB 1058. As per Note 19, at 30 June 2019 there is \$5.9 million (2018: \$18.5 million) of deferred tax liability that relates to unexpended grants. This reflects the \$51.2 million (2018: \$61.5 million) of grant funding that has not yet been recognised as revenue for tax purposes, which adopts a matching principle and is recognised for tax only when expenses are incurred. As such, when a deficit occurs in the financial statements, a current tax expense will be recognised due to additional revenue now being brought into account for tax purposes.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

f. Leases

The Company leases an office and equipment. Lease contracts are made for 4 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Up to and including the 2018 financial year, leases of property and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss over the period of the lease.

From 1 July 2018, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a net present value basis.

g. Cash and cash equivalents

Cash and cash equivalents in both the statement of financial position and statement of cash flows include cash at bank and cash on hand.

h. Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

i. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial instruments are initially measured at cost.

i. Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

ii. Financial assets at amortised cost

Held-to-maturity investments are held with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

j. Property, plant and equipment assets

i. Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment losses.

Plant and equipment assets are depreciated over their estimated useful lives using the straight-line or diminishing value method as considered appropriate. Estimates of remaining useful lives are made on a regular basis for all assets. New assets are depreciated from the date of acquisition. The expected useful lives are as follows:

IT hardware	1-4 years
Furniture and fittings	3-5 years
Office equipment	1-5 years
Fitout	1-20 years

At each reporting date, the Company reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

ii. Lease right-of-use assets

The lease right-of-use assets are associated with the costs to be incurred in obtaining the rights to use premises and office equipment, under lease, in line with AASB 16. The right-of-use assets are depreciated over the shorter of the assets' useful life and the lease term on the straight line basis.

k. Trade and other payables

Trade and other payables are carried at amortised costs. They represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid within 30 days of recognition.

l. Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including annual and long service leave expected to be settled within 12 months of the reporting date are recognised as a current liability in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

m. Contributed equity

Ordinary shares are classified as equity.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. If the amount of GST is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of GST where appropriate. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

The Company is designated as a Government Related Entity (GRE) for GST purposes. This means that no GST is added to invoices if the customer is a government department or another GRE. Invoices raised on any other type of customer will still need to have GST added.

o. Government grants - Economic dependence

The Company's sole source of income, other than interest, is from grants received from the Commonwealth and various state and territory governments. As such, the Company is dependent on the receipt of these grants. The Company has agreed the level of funding from the Commonwealth and state and territory governments up to 2022.

The Company had a working capital deficit of \$4.4 million at 30 June 2019. This deficit includes a current portion of lease liability of \$1.6 million, which will be funded with governance funding in FY 2019/20. The remaining deficit is due to reclassification of available funding from Reserve – Equity to Unearned Revenue – Liabilities under AASB 15 implementation.

The majority of the available funds have been provided to fund various Service Definition Management Orders (SDMOs) under the Umbrella Funding Agreement (UFA) dated 13 June 2013. The available funds balance reflects accumulated unspent funds received for SDMOs completed in the prior years.

The UFA has a clause that the fund providers may, at their sole discretion, require the Company to repay the funds on the expiry or any earlier termination of the UFA or the funds have been spent, or committed, not in accordance with the UFA.

The UFA expires on 30 June 2022. Although the Company does not have a contractual obligation to repay the funds until the termination of the UFA, the fund providers may repurpose the use of the funds for new projects and have been doing so. To date, the fund providers have not given any notice to stop providing funding to the Company or required the funds to be repaid.

The shareholders have commissioned a review of the Company to be undertaken next financial year. The outcome of this review is unknown. Accordingly, the Company has economic dependence on the support of the shareholders to continue its operations and manage its working capital.

The Company is carrying a \$1.1m exposure from South Australia Health which relates to the healthdirect service for the period FY2015-18. An external review of factual findings has taken place and the Company is awaiting a response from shareholders.

The Company has a grant of \$8.25 million which will not be repurposed prior to the cessation of the company.

p. Reserves - Unspent government grants

Government grants are recorded as revenue when conditions attached to the funding are satisfied in accordance with Australian Accounting Standards requirements for not-for-profit entities. The expenditure of these funds is recorded when incurred. As such, the unexpended portions of these grant funds, which result in a surplus, are transferred to a reserve account at year end to reflect that these funds are committed for future expenditure under the terms of the government grants. When these unexpended grant funds are later utilised, the deficit is transferred from the reserve account to reflect

the funds being used for expenditure under the terms of the agreements.

The Company has early adopted AASB 15 using the modified retrospective approach in the current year. This approach allows for a one-time adjustment to transfer the unexpended grant funds in Reserves to Unearned Revenue as a liability, to reflect the funding owed to fund providers.

q. Intangible assets

i. Website and software development

Website costs related to the development of application and infrastructure, graphical design and content development are capitalised to the extent that the cost is directly attributed to preparing the website to operate in the manner intended by management. Software development costs include only those costs directly attributable to the development phase and are only recognised following determination of technical feasibility and where the Company has an intention and ability to use the asset. Internal labour costs are capitalised when labour costs directly attributable to the website and software development during its development phase can be measured reliably. Website and software development costs are stated at cost less accumulated amortisation and impairment losses. Website and software developments costs are amortised over their useful life of two and a half years.

ii. IT software

IT software costs related to costs incurred in acquiring externally developed software programs and associated costs incurred in bringing them into intended use are amortised over their useful lives ranging from one to four years.

iii. Impairment of intangible assets

At each reporting date, the Company reviews the carrying values of its intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

a. Critical accounting estimates and assumptions

i. Income taxes

The Company is subject to income taxes in Australia. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company estimates its tax liabilities based on the Company's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

ii. Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

iii. Lease break clause

The Company has entered into an eight year premises lease for 477 Pitt Street, Sydney, NSW 2000. This lease has a four year break clause option. The Company has assessed its business requirements and does not plan to exercise the four year break clause in the lease.

iv. Lease make good provision

The Company has estimated a value of make good for the current premises lease. This estimate was based on market rates. The make good estimate has been discounted to provide a present value cost and has been added to the right-of-use asset.

v. Employee benefits obligation provision

The Company has estimated the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

b. Critical judgements in applying the Company's accounting policies

i. Impairment of intangible assets

In the 2019 financial statements, the Company made a significant judgement about the impairment of its intangible assets. The Company follows the guidance of AASB 138 Intangible Assets and AASB 136 Impairment of Assets to determine when an intangible asset is impaired. In making this judgement, the Company evaluates, among other factors, any decline in the asset's market value, significant changes in the market, economy or legal environment in which the Company operates, obsolescence or physical damage to the assets, whether the assets have become idle, plans to discontinue or restructure operations, and any evidence from internal reporting that an asset's economic performance is worse than expected.

The Company has concluded that there is no impairment, on the basis that there are no indicators of impairment as at 30 June 2019. Furthermore, the appropriate recoverable amount is depreciated costs, which is the method by which these assets are recognised in these financial statements.

ii. Unearned revenue

The Company made a significant judgement on whether the terms and conditions of the grants have been met, therefore the respective revenue can be recognised in the current financial year.

3. Revenue

	2019 (\$)	2018 (\$)
Funding income from grants	-	118,487,566
Revenue from contracts with customers	125,070,989	-
Unexpended grant funding returned to government	-	(480,464)
	125,070,989	118,007,102

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Major Lines of Business

Contact centre activities (including service management)	95,539,861	-
Digital activities	27,765,190	-
Other	1,765,938	-
	125,070,989	-

Revenue is recognised over time when the services are delivered. AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

Financial statements

Healthdirect Australia Ltd
ABN 28 118 291 044
Notes to the financial statements (continued)
30 June 2019

4. Other income

	2019 (\$)	2018 (\$)
Interest income	-	1,375,489
Income from government grants	6,000,000	-
Rental income from sublease	-	372,674
Net profit/(loss) on disposal of IT hardware	12,846	(8,188)
	<u>6,012,846</u>	<u>1,739,975</u>

5. Other expenses

	2019 (\$)	2018 (\$)
Loss before income tax includes the following specific expenses:		
<i>Employee benefit expenses</i>		
Defined contribution superannuation expense	2,116,546	2,220,384
Other employee benefit expenses	26,155,292	28,094,641
Total employee benefit expenses	<u>28,271,838</u>	<u>30,315,025</u>
<i>Depreciation and amortisation expenses</i>		
Depreciation expenses	1,880,404	469,565
Amortisation expenses	198,843	1,996,250
Total depreciation and amortisation expenses	<u>2,079,247</u>	<u>2,465,815</u>
Rental expense relating to operating leases	<u>583,820</u>	<u>2,007,193</u>

6. Income tax expense/(benefit)

	2019 (\$)	2018 (\$)
a. Income tax expense/(benefit)		
Current tax	(1,340,960)	(437,411)
Deferred tax	1,412,440	(3,975,999)
Prior period adjustment to deferred tax	(289,355)	-
	<u>(217,875)</u>	<u>(4,413,410)</u>
The major components of income tax (benefit)/expense are:		
Current income tax charge	(1,340,960)	(437,411)
Prior period adjustment to deferred tax	(289,355)	-
Decrease in deferred tax assets	323,294	120,309
Increase/(Decrease) in deferred tax liabilities	1,089,146	(4,096,308)
	<u>(217,875)</u>	<u>(4,413,410)</u>
b. Numerical reconciliation of income tax expense to prima facie tax payable		
(Loss) from continuing operations before income tax expense	(748,368)	(14,733,465)
Tax at the Australian tax rate of 30% (2018 - 30%)	(224,510)	(4,420,040)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment	6,635	6,630
Income tax (benefit)	<u>(217,875)</u>	<u>(4,413,410)</u>

Financial statements

Healthdirect Australia Ltd
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Notes to the financial statements (continued)
30 June 2019

7. Current assets – Cash and cash equivalents

	2019 (\$)	2018 (\$)
Petty cash	200	400
Cash at bank	39,656,207	44,894,346
	<u>39,656,407</u>	<u>44,894,746</u>

Cash at bank is bearing variable interest rates. The weighted average interest rate is 1.43% (2018: 1.54%) at the end of the period.

8. Current assets - Trade and other receivables

	2019 (\$)	2018 (\$)
Trade receivables	5,648,152	6,539,007
GST receivable	1,208,507	1,257,501
Interest receivable	77,710	136,753
Sundry receivable	(26,671)	392
	<u>6,907,698</u>	<u>7,933,653</u>

9. Current assets - Financial assets at amortised cost

	2019 (\$)	2018 (\$)
Term deposits for investment	10,000,000	14,000,000
Term deposits held as security for bank guarantee	423,037	774,830
	<u>10,423,037</u>	<u>14,774,830</u>

10. Current assets - Other current assets

	2019 (\$)	2018 (\$)
Security deposit	-	202,116
Accrued Income (AASB 1058)	876,625	-
Lease incentive	-	80,536
	<u>876,625</u>	<u>282,652</u>

11. Non-current assets – Financial assets at amortised cost

	2019 (\$)	2018 (\$)
Term deposits held as security for bank guarantee	5,481,453	5,754,863
Term deposits for investment	111,049	-
	<u>5,592,502</u>	<u>5,754,863</u>

12. Non-current assets - Property, plant and equipment

	IT hardware (\$)	Office equipment (\$)	Furniture and fittings (\$)	WIP fitout (\$)	Fitout new premises (\$)	Lease right-of-use asset (\$)	Fitout (\$)	Total (\$)
At 1 July 2018								
Cost or fair value	3,451,498	283,648	295,852	300,100	-	-	1,568,927	5,900,025
Accumulated depreciation	(2,965,933)	(201,766)	(205,095)	-	-	-	(1,316,652)	(4,689,446)
Net book amount	485,565	81,882	90,757	300,100	-	-	252,275	1,210,579
Year ended 30 June 2019								
Opening net book amount	485,565	81,882	90,757	300,100	-	-	252,275	1,210,579
Reclassifications	-	-	-	(300,100)	300,100	-	-	-
Additions	519,600	51,572	-	-	2,701,730	-	-	3,272,902
Additions from AASB 16	-	-	-	-	-	13,583,582	-	13,583,582
Disposals	(21,880)	-	-	-	-	-	-	(21,880)
Depreciation charge AASB 16	-	-	-	-	-	(917,203)	-	(917,203)
Depreciation charge	(378,813)	(52,098)	(79,267)	-	(201,493)	-	(251,530)	(963,201)
Closing net book amount	604,472	81,356	11,490	-	2,800,337	12,666,379	745	16,164,779
At 30 June 2019								
Cost or fair value	2,299,103	237,392	68,058	-	3,001,830	13,583,582	6,813	19,196,778
Accumulated depreciation	(1,694,631)	(156,036)	(56,568)	-	(201,493)	(917,203)	(6,068)	(3,031,999)
Net book amount	604,472	81,356	11,490	-	2,800,337	12,666,379	745	16,164,779

13. Non-current assets - Intangible assets

	IT software (\$)	Intangible right-of-use assets (\$)	Other intangible assets (\$)	Website (\$)	Software development (\$)	Total (\$)
At 1 July 2018						
Cost	1,540,452	4,125,871	167,052	8,141,178	7,168,214	21,142,767
Accumulated amortisation	(1,422,911)	(4,125,871)	(167,052)	(8,141,178)	(7,081,296)	(20,938,308)
Net book amount	117,541	-	-	-	86,918	204,459
Year ended 30 June 2019						
Opening net book amount	117,541	-	-	-	86,918	204,459
Amortisation charge	(111,925)	-	-	-	(86,918)	(198,843)
Closing net book amount	5,616	-	-	-	-	5,616
At 30 June 2019						
Cost	222,244	4,125,871	167,052	8,141,178	7,168,214	19,824,559
Accumulated amortisation	(216,628)	(4,125,871)	(167,052)	(8,141,178)	(7,168,214)	(19,818,943)
Net book amount	5,616	-	-	-	-	5,616

14. Current liabilities - Trade and other payables

	2019 (\$)	2018 (\$)
Unsecured		
Trade payables	1,104,465	2,083,803
Accrued expenses	11,176,369	11,134,890
Credit card payables	18,286	1,654
Other payables	290,280	308,274
	<u>12,589,400</u>	<u>13,528,621</u>

15. Current liabilities - Unearned revenue

	2019 (\$)	2018 (\$)
Unearned revenue - funding received in advance	2,834,799	3,121,282
Contract liabilities owed to jurisdictions (AASB 15)	44,177,213	-
	<u>47,012,012</u>	<u>3,121,282</u>

16. Current liabilities - Provisions

	2019 (\$)	2018 (\$)
Provision for funding owed to jurisdictions (AASB 1058)	583,693	-

17. Current liabilities - Employee benefits obligation

	2019 (\$)	2018 (\$)
Employee benefits - annual leave (see Note 1(l))	1,117,706	1,257,172
Employee benefits - long service leave	78,926	105,626
	<u>1,196,632</u>	<u>1,362,798</u>

18. Current liabilities - Other current liabilities

	2019 (\$)	2018 (\$)
Lease incentive liability	-	89,017
Others	1,667	5,570
	<u>1,667</u>	<u>94,587</u>

19. Non-current liabilities - Deferred tax liabilities/(assets)

	2019 (\$)	2018 (\$)
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Interest receivable	23,313	41,026
Accrued income	262,988	-
Unexpended grant liability	5,858,097	18,454,024
Property, plant and equipment	932,701	3,013
	<u>7,077,099</u>	<u>18,498,063</u>

Deferred tax assets

The balance comprises temporary differences attributable to:		
Superannuation payable	(51,891)	(56,355)
Lease	(67,821)	-
Provision for employee entitlements	(335,312)	(377,152)
Provision for long service leave	(135,322)	(126,253)
Tax (loss)	(4,197,409)	(2,567,092)
Legal fees	(7,143)	(370,623)
Audit accrual	(23,790)	(14,190)
	<u>(4,818,688)</u>	<u>(3,511,665)</u>
Total deferred tax liabilities	<u>2,258,411</u>	<u>14,986,398</u>

20. Non-current liabilities - Employee benefits obligation

	2019 (\$)	2018 (\$)
Employee benefits - long service leave	372,146	270,216

21. Contributed equity

	2019 Shares	2018 Shares	2019 (\$)	2018 (\$)
Ordinary shares				
Uncalled shares	<u>392</u>	<u>392</u>	<u>392</u>	<u>392</u>

22. Key management personnel disclosures

	2019 (\$)	2018 (\$)
Key management personnel compensation	<u>3,549,853</u>	<u>3,527,383</u>

The above amount includes compensation paid to Directors and senior executives.

23. Remuneration of auditors

	2019 (\$)	2018 (\$)
Audit and other assurance services		
Audit services	56,000	56,000
Other assurance services	13,300	13,300
New accounting standards education and review	10,000	13,300
Total remuneration for audit and other services	<u>79,300</u>	<u>82,600</u>

24. Commitments

	2019 (\$)	2018 (\$)
Non-cancellable operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	2,202,270
Later than one year but not later than five years	-	9,769,604
Later than five years	-	9,330,460
	<u>-</u>	<u>21,302,334</u>

Having implemented AASB 16 in this financial year, all lease related assets and liabilities are disclosed in the Statement of financial position. The above table shows the comparative under the old accounting standards.

25. Contingencies

The Company had no contingent liabilities or assets at 30 June 2019 (2018: nil).

26. Related party transactions**a. Key management personnel**

Disclosures relating to key management personnel are set out in Note 22.

b. Transactions with related parties

Directors may hold positions with organisations that trade with the Company. Any contracts and transactions between these organisations and the Company are based on normal commercial terms and conditions. The Company transacted with the National Rural Health Alliance Council in relation to conference and advertising costs totalling \$5,591 this financial year (2018: nil).

27. Events occurring after the reporting period

The Directors are not aware of any matters that have arisen subsequent to the end of the financial year that may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

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