



For members, for 70 years

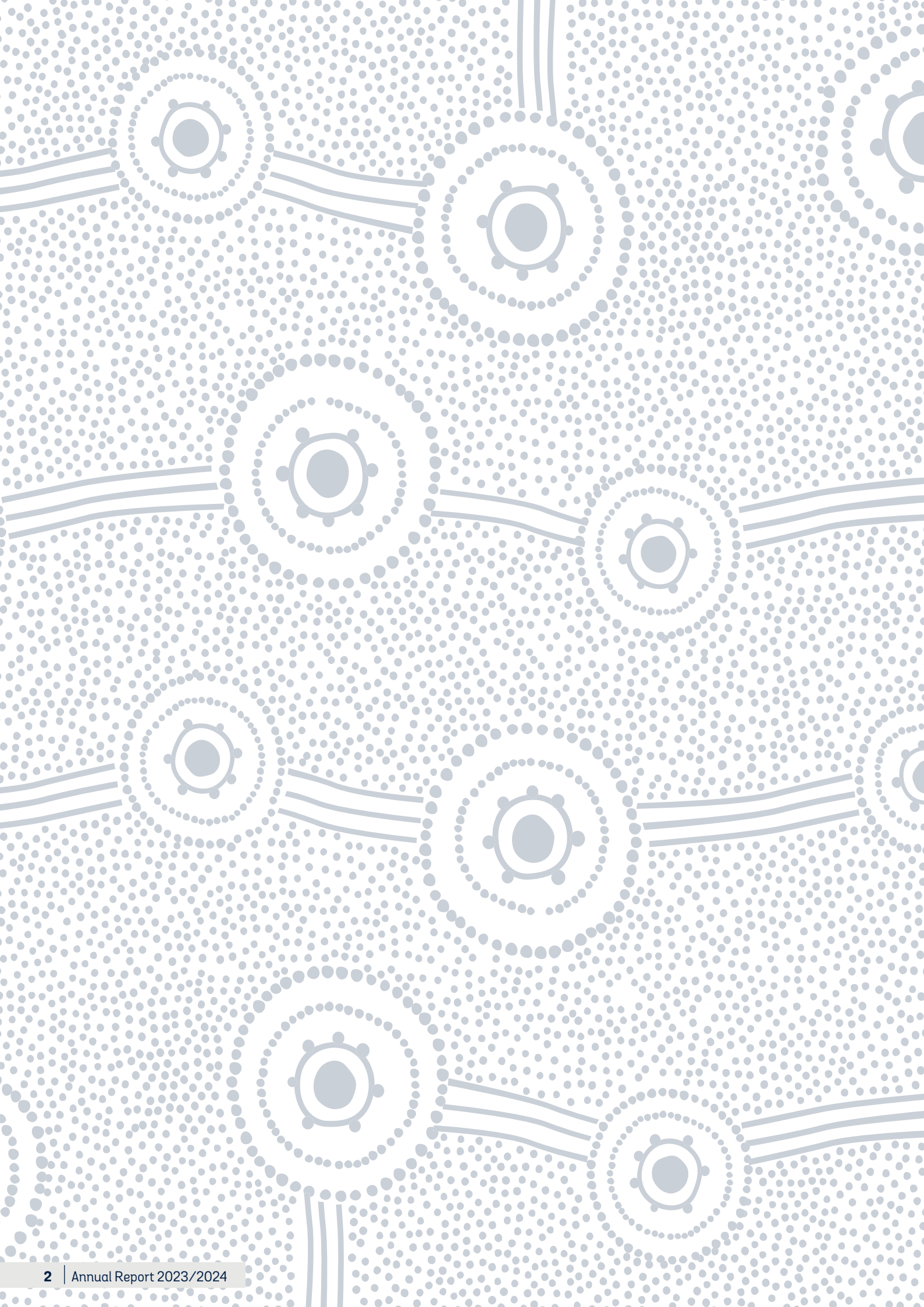
SINCE 1954



Taryn – Teacher and Teachers Health member

# Teachers Health

## Annual Report 2023–2024





## Acknowledgement of Country

Teachers Health respectfully acknowledges the Traditional Custodians of this land. We also recognise that Aboriginal and Torres Strait Islander peoples were the first educators and healers and have held the knowledge of this land for many thousands of years. We pay respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples and celebrate their enduring connections to and knowledge of the land, waterways and sky.







Taryn – Teacher and Teachers Health member

# Contents

Chairperson's Report	6
CEO's Report	8
Performance Highlights	10
Members are at the HEART of everything we do	12
Corporate Social Responsibility	14
Supporting our communities	18
Supporting our members' health	19
70 years – Our story	22
70 years – Meet our Foundation members	24
Corporate Governance Statement	27
Directors' declaration	75
Independent Auditor's Report	76

Note 1: The term member used throughout this document refers to policyholder and is distinguished from a Group Member.

Note 2: Teachers Health refers to Teachers Federation Health Limited ABN 86 097 030 414.

# Chairperson's Report | Maree O'Halloran, AM

**Teachers Health continues to deliver strong results for members, despite the challenges of operating within a highly competitive industry, as well as broader social and economic pressures.**

**Our focus on sustainability and resilience, supported by consistent growth and strong financial performance, has enabled us to deliver ongoing value and adapt to changing operating conditions.**

## 70 years caring for members

This year we marked a significant milestone, celebrating 70 years of caring for our members and their families.

Created as the health fund for teachers – by teachers – in 1954, we've grown to become Australia's largest industry-based health fund and the sixth largest health insurer in Australia.

Today, we cover more than 420,000 lives and have the privilege of being the only fund in Australia dedicated to caring for the education, nursing, and midwifery communities.

While a lot has changed over the decades, the core of who we are has remained the same. We're for people, not for profit, and as we look to the future, our members will always be at the heart of everything we do.

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## Growth and sustainability

Sustainable growth remains one of our key strategic pillars to contribute to building organisational scale and the long-term sustainability and resilience of Teachers Health. An important part of our growth strategy is the potential to merge with or acquire a likeminded private health insurer.

I am pleased to announce that following extensive discussions, we signed a Merger Implementation Deed (MID) with Queensland Teachers Union Health Fund (QTUH) during the year. While several steps in this process remain, including regulatory and legal approval, this is the first move towards formalising the merger. If all progresses to plan, the legal merger is expected to occur in July 2025.

The decision for Teachers Health and QTUH to merge makes perfect sense. We are both like-minded, not-for-profit member organisations with similar values, a similar stakeholder and member base and strong, ongoing ties with the education, nursing and midwifery, and broader union communities. The merger will bring together the only two health funds in Australia focused on teachers, nurses, and midwives and will strengthen our presence and relevance with these communities.

The increased size and scale of the merged organisation will help to ensure our ongoing stability and competitiveness within the private health insurance industry, cementing our position as Australia's sixth largest health fund, and the largest not-for-profit union-based fund.

## A better, sustainable business

A consistent theme underpinning our strategic objectives is striving to be a 'better business' than we are today. At the heart of becoming a 'better business' is our focus on Environmental, Social and Governance (ESG) issues.

This approach embeds sustainability in our business practices so that our ESG goals are integral to our business operations and outcomes. It also aligns with our philosophy of being a for purpose organisation and meeting the high expectations of our members, employees and other key stakeholders who rely on Teachers Health to be a responsible corporate citizen and resilient business.

During the year we formalised our ESG Strategy 2024–2026, which consists of thirteen key environmental, social and governance objectives. The strategy also incorporates the work already in progress relating to climate change, sustainability practices and modern slavery. Our goal is to build a better future that positively impacts our employees, members, stakeholders, and society.

## Working together for members

Reflecting on our 70-year milestone this year, I acknowledge the importance of the relationships Teachers Health has with our partners and stakeholders from across the education, nursing, and midwifery communities. These relationships have been integral to our ongoing success since our inception, providing enormous strength, opportunities, and benefits for our members and Teachers Health.

I would like to take the opportunity to congratulate several of our key stakeholders who are also celebrating significant milestones this year – 100 years for the Australian Nursing and Midwifery Federation, 70 years for the Independent Education Union of Australia NSW/ACT Branch and 50 years for the Australian Education Union ACT Branch.

Working together with our valued partners and stakeholders remains a priority, aligning with our not-for-profit philosophy of giving back to the communities we proudly serve. During the year we continued to give back through our support and sponsorship of various conferences, events, and reward and recognition initiatives.

We look forward to continuing this important work together with our valued partners and stakeholders well into the future.

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**Reflecting on our 70-year milestone this year, I acknowledge the importance of the relationships with our partners and stakeholders from across the education, nursing, and midwifery communities**

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## Thank you

The key to Teachers Health's long-term success is quite simple – we have always placed our members and their health needs before profit, and our strategic direction is focused on initiatives that support this intention.

I would like to pass on a heartfelt thank you to all Teachers Health employees for their ongoing dedication to those we serve, and their work in bringing our strategy and culture to life.

I also thank my fellow Directors for their ongoing leadership, commitment, and support for achieving good governance and outcomes for the organisation and our members.



**M O'Halloran, AM**

Chairperson



Maree O'Halloran, AM – Chairperson



# CEO's Report | Brad Joyce

**Teachers Health has delivered another year of strong results in the face of growing industry, social, and economic challenges.**

**With a clear purpose and strategy, focused on sustainability, resilience, and a core strategic objective to be a 'better business', we continue to fulfil our commitment to members – who are at the heart of all we do – today, tomorrow and into the future.**

## Building strength and resilience

During FY24, we welcomed more than 5,000 new policyholder members – a growth rate of 2.8% – taking our total lives covered to over 420,000.

Our retention rate of 96% has remained consistently high in recent years, a credit to our ongoing commitment to members.

Underpinning our growth and sustainability objectives is an emphasis on achieving strong financial performance. In FY24, Teachers Health delivered a net surplus of \$54.3m (FY23: \$12.9 million restated) with total assets growing to \$817 million (FY23: \$785 million restated) by year's end.

Fulfilling our not-for-profit, for-purpose commitment, we continued to reinvest financial surpluses into the business to benefit our members as demonstrated through our investments in enhancing products and services, and uplifting people and technological capabilities.

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**During FY24, we welcomed more than 5,000 new policyholder members – a growth rate of 2.8% – taking our total lives covered to over 420,000**

99

## Putting members first

At Teachers Health, we recognise our broader role in supporting improved health outcomes for members. Our aim is to be considered a trusted partner for members along their health journeys.

In addition to our health insurance offering, we continue to provide access to important health programs and services.

Our Health Centres have provided ongoing value to members for more than 25 years. Today we offer state-of-the-art eyecare and dental services across six locations in NSW, Vic, and SA, with more than 16,000 eyecare and 38,000 dental patient consultations provided in FY24.

We also expanded our Healthcare Services offering during the year, with 12 health programs now available to eligible members. First established in 2015, Healthcare Services offers access to quality, evidence-based health management programs and during the year more than 1,700 members commenced services.

With cost of living and member wellbeing top of mind, we also delivered a premium increase of 2.65% in 2024, significantly below the industry average premium increase of 3.03%, annual CPI inflation of 4.1% and health-related inflation of 5.1%.

This year also marked 10 years since the establishment of the Teachers Health Foundation. Over the last decade, the Foundation has funded essential research into factors and conditions affecting the health and wellbeing of Australian educators, and more recently, nurses and midwives.

## Better business capabilities

An important objective for Teachers Health is to become a 'better business' over time, and one clear priority is uplifting our business capabilities to improve our competitiveness and agility.

To achieve this, investment in technology increased throughout the year with the continuation and commencement of several key projects on our technology roadmap.

These projects include the planned migration of our health insurance platform, contact centre optimisation, cloud migration, AI and automation exploration, and cyber security initiatives.

These projects are designed to uplift current technology solutions, strengthen our information security environment, and provide an improved experience for members.

## Investing in our people

Our people are pivotal in achieving our strategic goals and supporting an enhanced experience for our members. Throughout the year we invested in a range of initiatives designed to attract, retain, and build a highly skilled workforce, aligning with our member-centric focus.

Initiatives throughout the year focused on building internal skills and knowledge, improving change management capabilities, leadership development, exploring internal promotion opportunities and further embedding our HEART culture for employees.

We also continued to build on our diverse and inclusive workforce by becoming a member of the Diversity Council of Australia and make valuable progress on our Innovate RAP and Diversity, Inclusion & Belonging objectives.

## Winning hearts, and awards

Our commitment to delivering the best possible cover and experience for our members was acknowledged throughout the year, with Teachers Health receiving several customer satisfaction awards.

Teachers Health was announced as the winner of the Roy Morgan Customer Satisfaction Award for Major Private Health Insurer of the Year – Not for Profit or Restricted Fund (2022).

We also received five awards in the 2023 Mozo People's Choice Awards for value for money, outstanding customer satisfaction for Hospital and Extras cover, trust, and sign-up experience.



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### Thank you

I'd like to take this opportunity to thank the Teachers Health team, including our Board of Directors, Executive Leadership, and all our employees, who have worked tirelessly to deliver towards our strategic goals and support our vision of achieving the best health outcomes for those we provide services.

Finally, I'd like to thank our members, the more than 420,000 Australians who trust us to be their health partner. Our commitment to supporting your health and wellbeing remains as strong as ever.



**B S Joyce**

Group Chief Executive Officer



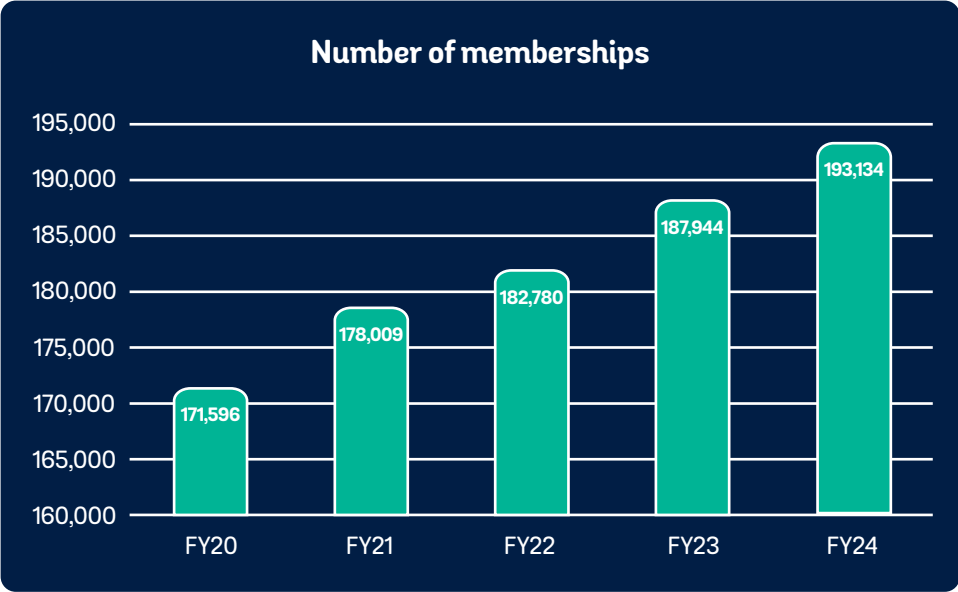
Brad Joyce – Group CEO

# Performance Highlights

At Teachers Health, our mission is to inspire and support our members to achieve the best possible health outcomes. This is delivered through a strategic framework consisting of strong growth and service targets, with the aim of ensuring long-term sustainability and providing greater value for members.

In FY24, we continued to deliver on these objectives, with ongoing growth of our membership base and the increasing amount paid in claims year-on-year.

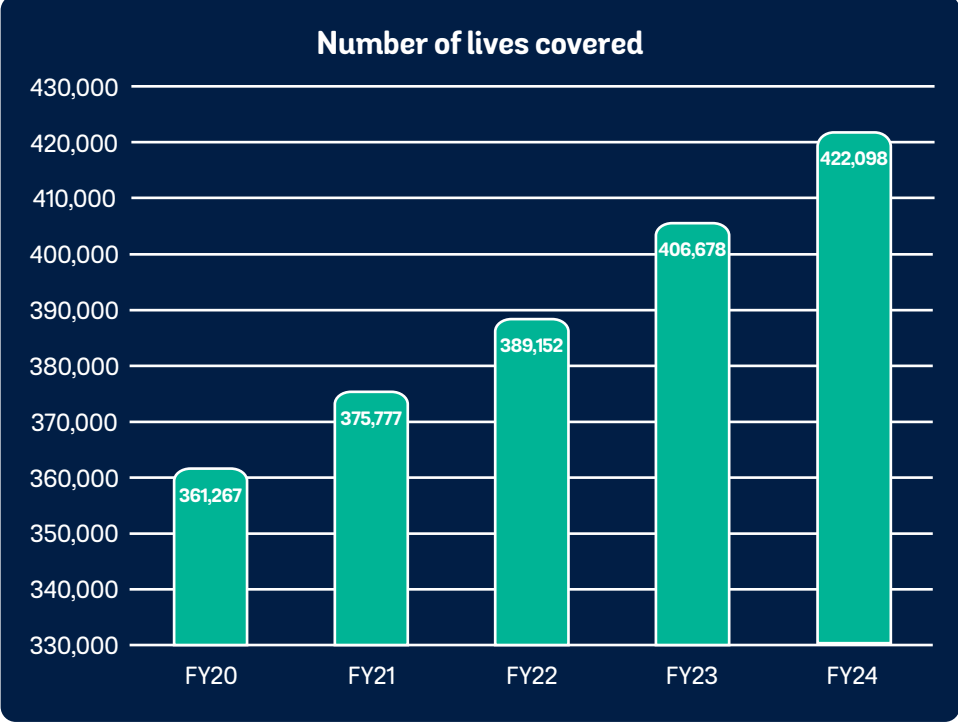
## Memberships – Total



### Memberships

Membership numbers have continued to grow year-on-year, increasing by 2.8% in FY24.

## Lives covered – Total

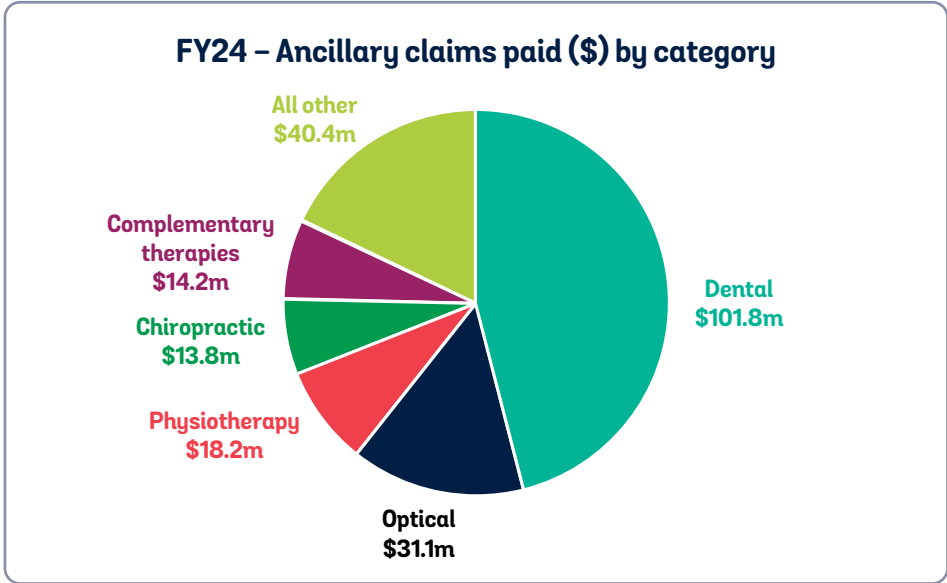


### Lives covered

Breaking down our membership growth into lives covered, we report an increase of 3.8%.



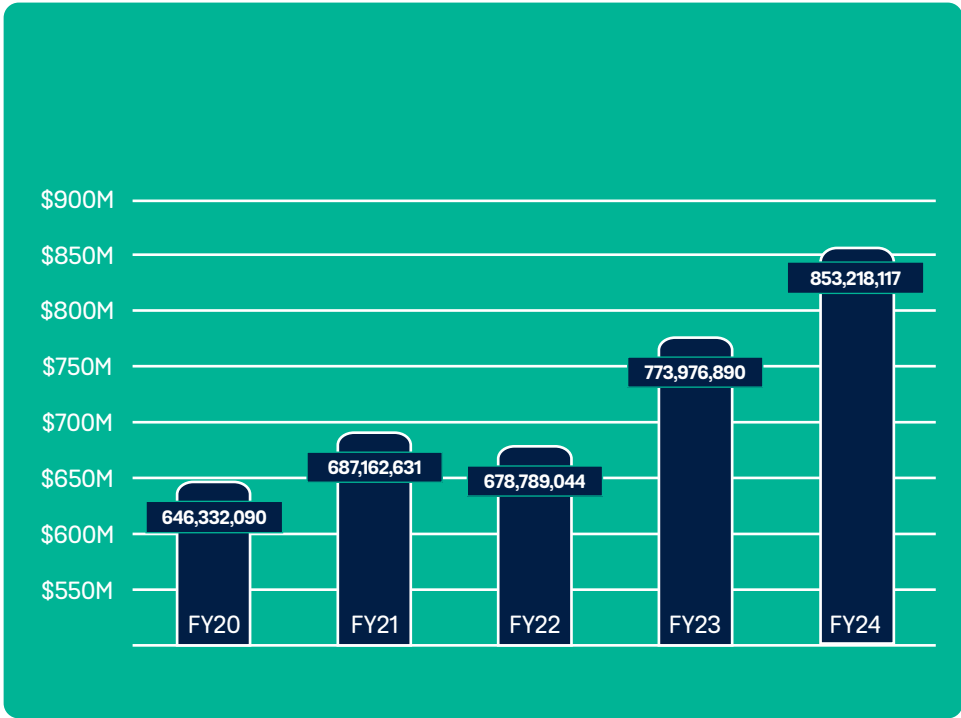
Ancillary claims paid (\$) by category



Ancillary claims

Dental remains our largest ancillary claims category, while complementary therapies was the fastest growing category, with paid claims increasing by over 7.5% relative to FY23.

Amount of claims paid (\$)



Claims paid

The dollar amount of claims paid in FY24 was 2.9% higher than FY23.

The dollar amount of claims paid has increased by an average of 7.2% per annum since FY20.

# MEMBERS ARE AT THE HEART OF EVERYTHING WE DO



129,500

People moving better<sup>1</sup>



169,024

Brighter smiles<sup>2</sup>



2,967

Parents supported with the arrival of their new bundles<sup>3</sup>

114,047



Sets of eyes seeing more clearly<sup>4</sup>

43,082



Podiatry consults to keep people on their feet<sup>5</sup>





**2,644**  
Hearts cared for<sup>6</sup>



**10,189**  
Gym memberships supported<sup>7</sup>



**1,525**  
New knees<sup>8</sup>



**77,158**  
Complementary therapies<sup>9</sup>

**Disclaimer:** Based on July 2023 – June 2024 data for Teachers Health. Footnotes: <sup>1</sup>Physiotherapy including ante-post natal and physiotherapy device, Osteotherapy and Chiropractic services. <sup>2</sup>Periodic oral examination. <sup>3</sup>Pregnancy related claims less abortion. <sup>4</sup>Optical frames, repairs, and replacements, contact lens. <sup>5</sup>Podiatry consultation. <sup>6</sup>Hospital coronary care. <sup>7</sup>Preventative health product – health management – gym membership. <sup>8</sup>Total knee replacements. <sup>9</sup>Complementary therapies. All the figures in the infographic relate to Teachers Health. Memberships refers to policyholders.

# Corporate Social Responsibility

**As a not-for-profit, for purpose organisation, Teachers Health is committed to operating for the greater good – for the benefit of our members and the wider community. We have demonstrated this commitment through a variety of initiatives during FY24, covering our members, our people and broader health, social and environmental areas of focus.**

## People initiatives

Our employees are essential to the ongoing success of Teachers Health and delivering the best possible experience for our members. We continued to invest in our people during FY24, focusing on initiatives that increase our capacity, capabilities, and skills to deliver on our strategic objectives, as well as an enhanced member experience.

In FY24, our workforce activities included:

- Expanding our existing leadership development suite to ensure more of our leaders can access training and resources to support their career development.
- A continued focus on bringing HEART values to life to truly recognise and celebrate those moments that matter to our employees.
- Continuing our commitment to embedding diversity, inclusion and accessibility into our operations and culture with support from our membership of Diversity Council Australia and partnering with other relevant

organisations to provide greater awareness and understanding for employees.

- Creating a stronger focus on employee career development from early stages of employment. Identifying individuals' strengths and enhancing those with internal opportunities, ensuring everyone has a career plan that they can work towards achieving, at any level.
- Supporting the re-design of induction training for our Membership Services contact centre, resulting in a higher rate of retention of staff and, importantly, better service for our members. This process continues to reinforce our priorities of building a learning culture.

Our aim to support growth and development across the organisation saw a total of 499 people complete training in 108 courses during FY24. Our leaders continued to develop their skills with 90% of people leaders completing leadership development programs and 90% completing change management training.

## Member centricity

Reflecting both our values as a not-for-profit health fund, and our commitment to putting members' needs first, our priority is providing quality products and services, as well as giving back through member support initiatives. During FY24, we demonstrated this through the introduction of several measures:

- Eligible members received an additional one-off payment as part of our COVID give-back initiative. Approximately \$55 million in total was distributed to eligible members during the year bringing the total given back to members since the onset of COVID to over \$147 million.
- Launch of a member rewards program designed to provide additional value to members and provide genuine cost-of-living support to help offset the cost of their private health insurance. Cash-back credits can be accumulated through credit card use with participating retailers.
- Launch of a New Basic Extras product, responding to consumer demand for flexible extras products. This product aims to support retention and growth among younger members.
- Continued support for members affected by natural disasters, with those directly impacted by flooding events across the country invited to apply for three months free cover.
- Access to additional telehealth services was made permanent.
- Launch of a new Online Member Services, designed to improve user experience, and make it easier for members to manage their policy.



Recipients of the 2023 Teachers Health HEART Awards



# Environmental, Social, Governance

## ESG Strategy

Teachers Health is committed to operating sustainably. As a for purpose organisation and Australia's largest industry-based private health insurer, we recognise that we have a responsibility and an opportunity to deliver more sustainable business practices. At the heart of Teachers Health becoming a 'better business' is our ESG (Environmental, Social & Governance) strategy. This focused approach embeds sustainability in our business practices.

Our ESG Strategy consists of 13 environmental, social and governance measures:

- **Climate change and energy use**  
Reducing greenhouse gas emissions as part of decarbonising our business.
- **Waste management and recycling**  
Engaging in waste minimisation initiatives and recycling practices where appropriate as part of becoming carbon neutral.
- **Accessibility**  
Achieving measurable whole-of-business outcomes for employees, members, and the wider community that advance disability inclusion.
- **Diversity, inclusion and belonging**  
Creating opportunities to improve practices and capability across the organisation to deliver on the actions set out in our Diversity & Inclusion strategy.
- **Reconciliation**  
Strengthening our relationships with Aboriginal and Torres Strait Islander peoples. Engaging employees, stakeholders, and the wider community in reconciliation.
- **Modern slavery**  
Monitoring and reducing the potential for modern slavery throughout our operations and supply chains.
- **Employment standards and WHS**  
Ensuring continuous improvement in employment policies, practices, and systems to maximise the employee experience. Building organisational capability to reduce the risk of psychosocial hazards and delivering a safe, healthy, and respectful workplace for all our people.
- **Charitable/community work**  
Committing to community support measures to address social, economic, and other disadvantage in society.
- **Cyber security and data privacy**  
Building resilience against cyber threats and preventing unauthorised access, maintaining strong protections on sensitive and personal information.
- **Corporate governance**  
Continuing effective oversight by the Board and Management to operate the business to the highest standards.
- **Risk governance**  
Maintaining effective risk oversight and culture to maximise opportunities and manage risk.
- **Responsible investment**  
Maintaining a portfolio of equity investments having consideration for social and environmentally friendly criteria.
- **Whistleblowing**  
Fostering a positive culture of reporting to enable disclosure of improper and/or illegal conduct impacting the business operations.

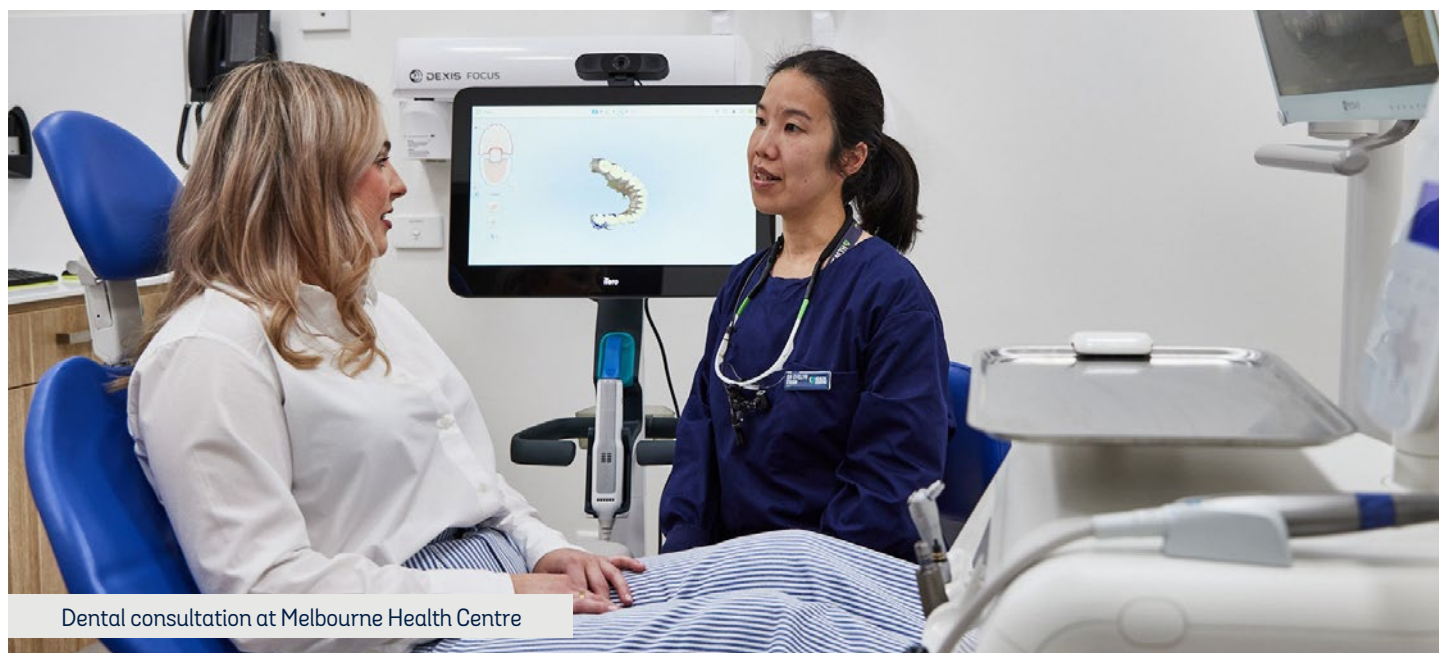
## Sustainability at Health Centres

Teachers Health operates six Health Centres located across NSW, Vic, and SA, providing eyecare and dental services.

In supporting Teachers Health's Environmental, Social and Governance (ESG) strategy, Health Centres have been focusing on initiatives at each location to contribute to our sustainability objectives.

In FY24, Health Centres provided over 16,000 dental and 38,000 eyecare services. With the number of services growing each year, waste minimisation and recycling initiatives are a key priority. To achieve this, Health Centres have implemented a range of measures, including:

- Each Health Centre is a donation hub for the Lions Club Recycle for Sight Program. Lions Club distributes donated frames to developing countries as part of its international glasses' charities. During FY24, patients and members donated over 2,000 frames.
- Each Health Centre also participates in the Terracycle Oral Care Recycling Program, providing a recycling box for patients and members of the public to bring in their empty toothpaste tubes, caps, manual toothbrushes, electric toothbrush heads, and toothbrush and floss containers. In FY24, 30kg of used oral care products was recycled.
- Intra-oral digital scanners were introduced during FY24 to support waste minimisation efforts for our dental services. This reduced the need for physical molds and trays, reducing waste overall.



Dental consultation at Melbourne Health Centre

# Corporate Social Responsibility

## Community involvement

Teachers Health works across all sectors of the education and nursing and midwifery communities, developing strong, trusted relationships with key stakeholder groups.

As part of our commitment to supporting the ongoing wellbeing and success of the education and nursing and midwifery communities, we continued to sponsor various conferences, events, and reward and recognition initiatives. Throughout FY24, we supported the following:

### Education:

- NSWTF Annual Conference
- NSWTF Principals' Conference
- NSWTF Women's Conference
- NSWTF Aboriginal and Torres Strait Islander Members Conference
- NSWSDPA Conference
- AEU Federal Conference
- AEU Sustainability Conference
- AEU New Educators Conference
- AEU Vic Women's Conference
- APPA National Conference
- VPA Conference
- WAPPA Conference

- AEU ACT Education Awards – Reconciliation Award
- NSW DoE Schools Spectacular
- NSW DoE Nanga Mai Awards
- SA DoE Education Awards
- PEF Scholarships
- NTEU National Delegates Conference

### Health:

- NSWNMA Annual Conference
- ANMF Biennial Conference
- ANMF Vic Annual Delegates Conference
- ANMF Vic Health and Environmental Sustainability Conference
- ANMF Vic Occupational Health and Safety Conference
- ANMF SA Annual Delegates Conference
- ANMF TAS Annual Delegates Conference
- ANMF TAS Aged Care Conference
- ANC National Nursing Forum
- APNA Conference
- ACCCN Conference
- PEF – Nursing Scholarship

Our work with community organisations

progressed throughout the year, with the continuation of our valued partnerships with Stewart House and Australia for UNHCR. These partnerships align with our strong ties to the education and health industries, providing us the opportunity to make a positive impact on the broader community.

We are a recognised Diamond Supporter of Stewart House, the charity's highest sponsorship category, acknowledging the donations and support provided for over 50 years. As part of our long-term association, we have provided monetary donations, as well as practical support through our Health Centres, offering glasses and lenses free of charge for children who require them.

Our partnership with Australia for UNHCR, which first commenced in 2018, continued throughout the year. We're proud to support Australia for UNHCR in its humanitarian efforts to assist refugees across the world, including a program that supports mothers and babies in the Democratic Republic of Congo (DRC). During this time, we have supported over 3,500 safe deliveries in health facilities, with a significant decrease in infant mortality for babies less than 28 days old.

More than 100,000 refugee and local children under 5 have also benefited from effective interventions to prevent common childhood illnesses.



2023 Public Education Foundation Awards



## Teachers Health Foundation

In 2024, Teachers Health Foundation celebrates its 10-year anniversary. Over the last decade, the Foundation has funded essential research into factors and conditions affecting the health and wellbeing of Australian educators, and more recently its scope was extended to include nurses and midwives. The research supported by the Foundation informs practical, evidence-based policies and programs that address the needs of the teaching, nursing, and midwifery communities.

Throughout the years, the Foundation has supported research ranging from nutrition to disaster recovery at several universities across Australia. The Foundation regularly meets with community stakeholders and researchers to explore potential research opportunities.

During the year, the Foundation continued to support one PhD student at the University of Sydney's Charles Perkins Centre to research Australian schoolteachers' health needs and one PhD student at the University of Newcastle, to research optimising schoolteacher nutrition. During the year, the Foundation embarked on supporting a new research project into climate change related resources to support teachers' mental health and wellbeing, at the University of Melbourne.

Allana and Parker – Teachers Health members





# Supporting our communities

## Giving back to the education, nursing, and midwifery communities through life-changing scholarships

**At Teachers Health, giving back to the education, nursing and midwifery communities and their families is a core focus. We continuously seek to support initiatives that promote the wellbeing of our members and enable us to invest in programs that directly benefit the communities we care for.**

### Partnership with the Public Education Foundation

For more than a decade Teachers Health has supported the education community through partnering with organisations like the Public Education Foundation (PEF). This partnership demonstrates our commitment to creating educational opportunities for teachers, and more recently nurses and midwives, to provide support early in their professional careers.

The Public Education Foundation provides scholarships and resources to students and teachers in public education to help them achieve their full potential. Each year, Teachers Health supports the following scholarships through the PEF:

- Nurses & Midwives Health Scholarship (NSW recipient)
- Nurses & Midwives Health – National Tertiary Scholarship
- Teachers Health – Teachers National Tertiary Scholarship
- Teachers Health – Teachers National Tertiary Helen MacGregor Scholarship
- Early Career Teacher Scholarship
- Sponsorship of the Public Education Awards

Our joint efforts help remove barriers to further education, promote professional development, and encourage continuous learning and growth within the public education system. This tangible support is another way we put our members – and the communities they live and work in – at the heart of everything we do.

### Spotlight on Teachers Health Early Career Scholarship

The Teachers Health Early Career Scholarship supports public school teachers who are in the first three years of their teaching careers, with Teachers Health providing \$10,000 for professional development activities.

Teachers Health Early Career Scholarship Recipient Ruby Lyons-Reid shared her experience using her scholarship to study how technology can enable learning around Indigenous culture and heritage.

“This scholarship gives me the focus and financial support to pursue these professional interests in more depth and with greater intention. It represents an opportunity for me to deepen my theoretical knowledge about education and culturally responsive best practice, and to connect with experts in the field across Australia to gain insight into the design and delivery of cutting-edge digital learning programs,” Ruby shared.



Ruby Lyons-Reid, Tasmanian distance educator and recipient of the 2022 scholarship



Nurses & Midwives Health 2024 scholarship recipients Libby King and Liam Miller with Teachers Health Group CEO Brad Joyce

# Supporting our members' health

## Achieving improved health outcomes through Healthcare Services



**Healthcare Services is an initiative of Teachers Health dedicated to supporting members' health and wellbeing through access to quality, evidence-based health management through Chronic Disease Management Programs (CDMP) and Hospital Substitute Treatment (HST).**

**Comprising a multi-disciplinary team of professional qualified clinicians and practitioners, Healthcare Services focuses on a patient-centred care model, supporting individuals to achieve better health and an improved quality of life.**

### Chronic Disease Management Programs

Healthcare Services' Chronic Disease Management Programs (CDMP) aim to manage risk factors of disease to:

- reduce the frequency and severity of medical interventions associated with a condition,
- prevent or delay the onset of chronic disease, and
- reduce complications associated with chronic diseases.

Program evaluations show improvements in clinical outcomes, including weight reduction, improvement in mental health scores, reduction in hospital admission risk, and improvements in indicators of risks related to heart disease and diabetes.

Member feedback shows excellent satisfaction. CDMPs help members feel cared for, 'in charge' of their health and informed, and therefore may contribute to member satisfaction, acquisition, and retention.

Healthcare Services offers nine CDMPs including: Health Management, Nutrition Support, Preparing for Hospital Discharge, Cancer Support, Osteoarthritis Management, Hip/Knee Osteoarthritis and Spinal Care Plans, Total Wellbeing Lifestyle Plan, New Families Program, and Mental Wellness. This is in addition to the two Hospital Substitute Treatment Programs (Rehabilitation at Home and Hospital at Home) available via Healthcare Services.

### Member feedback

*"I have a chronic health condition that's debilitating because of pain and was causing mental health issues as well, and Liz has completely transformed my life ... She's taught me basic skills of self-care and recognising pain and then has also taken me through how to ... book appointments and stay on top of medications, really just put myself first. She has been an unbelievable help!"*

*"Thank you for making this program available. As someone with a terminal disease participating in a cancer trial, I felt very supported and thankful for the professional help and advice I was given. Financially it is very difficult when you can no longer work to be able to pay for and access the help you need. Thank you to the Teachers Health Fund for funding this program. I am very grateful."*

*"[The Mental Wellness Program] has helped me ... I started some mental health medication and I've also gotten on top of my physical health medication and that has helped me pain-wise as well. So, an absolutely life changing program that I would highly recommend so thanks Teachers Health Fund for providing."*

*"The support has been really great to help me keep going, achieve the goals for weight loss, strengthening my knee, and getting back to more of a healthy life, healthy exercise, and to keep going. As there have been times that it has been pretty hard. So, thank you, it's been very much appreciated, and I've been telling my family members about how wonderful it's been."*

“

**... An absolutely life changing program that I would highly recommend ... thanks Teachers Health**

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# Supporting our members' health

## Making a real difference to our members' lives

### Building confidence for better heart health

A recent diagnosis of coronary artery disease came as a shock for 55-year-old Cheryl, who had otherwise felt healthy and well. It was only due to a family history of the disease that prompted Cheryl to complete a screening, which eventually led to a stenting procedure.

Following this procedure, Cheryl felt overwhelmed with her new diagnosis and the abundance of information provided. She contacted Healthcare Services to seek advice regarding what her next steps were and, specifically, learn more about the lifestyle changes she could make to improve her long-term health.

Once a health assessment was completed with the Healthcare Services Registered Nurse (RN), a care plan was established to address a range of agreed goals. While she had good general knowledge of her health, Cheryl had some specific goals she wanted support with including losing weight, learning more about a heart healthy diet, maintaining a regular exercise regime, and gaining a better understanding of her diagnosis.

Over three months, Cheryl worked closely with members of the Healthcare Services team including an RN and Dietitian, to work towards these goals. Throughout this time, she was able to achieve significant results, including:

- A sustainable weight loss of 1.5kg and an improved understanding of her diet following advice around healthy eating, managing cholesterol, and weight loss.
- Attending regular exercise sessions with an Exercise Physiologist as recommended by RN and an increase in incidental exercise, such as daily walks with her dog.
- A reduction in her LDL cholesterol levels, returning to a normal range, through a combination of medications and lifestyle changes.

One of the key outcomes was that Cheryl felt well informed about her diagnosis, more in control of her health and confident in her ability to maintain these lifestyle changes independently.

### From pre-diabetes to total wellbeing

After being told she was borderline pre-diabetic, 80-year-old Enid wasted no time in trying to halt the progression to type 2 diabetes. With a medical history of hypertension, high cholesterol, and osteoarthritis, she was motivated to make some lifestyle changes to improve her health. Living alone in a retirement village, Enid recognised the importance of getting personalised support to help her achieve her goals.

Enid turned to Healthcare Services to seek advice and support on how to achieve her health goals through sustainable lifestyle changes. Together with a Healthcare Services Registered Nurse (RN), Enid completed a health assessment which led to a referral to the Total Wellbeing Lifestyle Plan (TWLP), a program facilitated by an external provider, Digital Wellness.

The TWLP is a weight management program designed to achieve weight loss and manage chronic conditions. Over a 24-week period, individuals receive a combination of one-to-one coaching sessions with a dietitian, weekly educational modules, structured meal plans based on the CSIRO diet, and an exercise plan, all provided on a digital platform.

During the six months that Enid was in the program, the Healthcare Services RN regularly checked in to monitor her progress and provide any additional support. And the outcomes she achieved were nothing short of amazing.

Enid achieved a weight loss of 13.6kg, placing her in a BMI within the healthy weight range. The flow on effect from this was a reduction in cholesterol level and blood pressure level, cessation of reflux systems, and a considerable reduction in osteoarthritis pain. And to top it all off, she was no longer considered pre-diabetic.

Importantly, by the end of the program, Enid felt confident she could maintain the sustainable lifestyle changes she had implemented, which is a key goal of the Healthcare Services program.



TEACHERS  
HEALTH

NURSES  
MIDWIVES  
HEALTH

UNI  
HEALTH





Guy and Allana – Teachers Health members



# 70 years | Our story

**When it comes to health and wellbeing, we're with members all the way.**

2024 is a very special year for Teachers Health as we celebrate our 70th anniversary. While many things have changed dramatically over the decades, one thing remains the same. And that is being there to support our members' health and wellbeing – in everyday ways, and when it matters most.

## 1950s – the first health fund for the education community

Our story begins in 1954 when the NSW Teachers Federation Health Society was created to provide affordable healthcare for teachers and their families in response to the changing needs of Australians post World War II.

The 1950s brought new and serious health challenges as Australia experienced rapid population growth and responded to the public health crisis of the polio epidemic. With over 4 million cases of polio infection between 1930 and 1960, greater support was needed for those affected by this debilitating disease.

Without private health insurance, access to medical treatment was dependent on being able to pay for these treatments personally. Hospital treatment could be expensive, and not everyone was able to afford the care they needed.

In response to the growing need for affordable health support, Harry Heath – former headmaster and union leader, along with Sam Lewis and Harry Norrington, established the NSW Teachers Federation Health Society in February 1954. Teachers Federation Health was popular from the start, with a foundation membership of 2,600, growing to 4,600 by the end of 1954.

## 1960s–1980s – growing and changing to meet teachers' needs

During the 1960s, dissatisfaction was increasing due to the difficulties in accessing hospital and medical care. Throughout this time, the reputation of the NSW Teachers Federation Health Society continued to grow, with thousands of teachers and their families relying on us for support in times of need. Participation continued to grow by about 10% every year, and by 1974, over 35,740 NSW teachers were members.

Our ongoing commitment to supporting our members' health and wellbeing with value-for-money health cover saw us navigate the challenges across the healthcare industry in the 1970s and 1980s. This included growing wait times and lack of funding in the public system, which led to increased investment in private hospitals and presented new options for Australians seeking care.

With the introduction of universal healthcare through Medibank by the Whitlam government in 1975 (which became Medicare in 1984), the landscape changed again. As well as supplementing medical expenses that weren't covered by Medicare, private health insurers looked to offer something "extra" compared to the public system.

As a result, ancillary cover (now known as Extras cover) was adopted across the industry. This was a way to help our members keep on top of their everyday health needs including dental, optical, and other similar expenses.

## 1990s – continuing to add value for members

By 1990, Teachers Federation Health had grown to become the 10th largest health fund in Australia, covering over 100,000 lives. As the health fund grew, so did our capacity to provide additional services, increasing the value to our members.

More milestones were reached that helped us cater to the needs of our members and their families. In November 1993, we established our first Teachers Eyecare Centre in Bathurst Street, in the Sydney CBD. The centre featured modern optometry equipment, and helped hundreds of adults and children care for their vision and get the glasses they needed to see more clearly.

## 2000s – incorporation as a not-for-profit company

In 2001, Teachers Federation Health marked a key milestone by incorporating as a not-for-profit company. This continued our ethos of putting members first and ensuring any surplus is reinvested in the health fund for their benefit.

The second half of the 2000s saw a rapid increase in the health fund's growth, particularly in our expansion into other Australian states and territories.



Credit National Archives of Australia



By 2006, to accommodate our growing workforce, the fund moved to newly built premises in Reservoir Street Surry Hills, where our flagship Teachers Health Centre remains. Throughout the later 2000s, we celebrated the opening of several Health Centres across NSW and Victoria – all of which featured the latest equipment, friendly faces and provided our members with quality dental and optometry services.

### 2010s – caring for nurses, midwives, and tertiary educators

In 2010, we began to trade as Teachers Health Fund and introduced dental care at our Surry Hills Health Centre. The second half of the 2010s heralded a period of rapid growth for the health fund, with several significant achievements including the celebration of 60 years of caring for teachers and their families in 2014.

The Teachers Health family has expanded over time – firstly with the creation of UniHealth in 2014, to provide quality healthcare for members of the tertiary education community.

Then in 2016, building on our strong union relationships and community ties, we established Nurses & Midwives Health to care for nurses, midwives, and their families.

Bringing the same level of understanding and support that we have provided the education community, Nurses & Midwives Health was created to provide affordable health cover to those who care for us – our nurses and midwives.

### 2010s–2020s – supporting the communities we live and work in

Throughout our history, we have always put our members' health and wellbeing first and sought ways to support the communities from where our education and nursing and midwifery members are drawn.

Foundational to the creation of Teachers Health as well as Nurses & Midwives Health and UniHealth, our union partnerships continue to be pivotal to the ongoing success of the fund and a source of strength for their vital role in protecting the needs of Australia's educators, school staff, nurses, midwives and carers.

In 2014, the Teachers Health Foundation was

established in conjunction with our 60-year celebration to provide funding for research into issues impacting educators and teachers nationwide.

We also expanded our support for the education and nursing and midwifery communities. This included maximising our partnerships to provide scholarships to outstanding teachers and nurses through the Public Education Foundation, supporting the wellbeing of vulnerable children through Stewart House, and having a global impact through our ongoing support of UNHCR (the UN Refugee Agency).

2015 saw the launch of Teachers Healthcare Services, offering eligible members access to health professionals including dietitians and other experts to help them achieve better health outcomes at no extra cost.

2022 saw us become the Teachers Health Group, with Teachers Health, Nurses & Midwives Health and UniHealth joining together as a single health fund.

“

**As we look to the future, our members will always be at the heart of everything we do**

”

### 2024 and beyond – 70 years of caring for members

Celebrating 70 years of caring for members in 2024, Teachers Health remains Australia's largest industry-based health fund and is now the 6th largest health insurer in Australia, covering over 420,000 lives.

While a lot has changed since 1954, the core of who we are has remained the same. We're for people, not for profit, and as we look to the future, our members will always be at the heart of everything we do.



# 70 years | Meet our Foundation Members

## Laurie Dicker

“

**I started teaching as an 18-year-old at Richmond High School. In 1954 in my first year of teaching, I was one of the first members to join Teachers Health.**

”

“I was born in 1935 during the great depression at Barellan, in the Riverina. At that time there was no electricity, running water, paved roads or sewerage, but it was a wonderful, supportive community.

I completed my secondary education at Yanco Agricultural High School. Following two years at Armidale Teachers College, and National Service, I started teaching as an 18-year-old at Richmond High School. **In 1954 in my first year of teaching, I was one of the first members to join Teachers Health.**

After completing my degree from New England University, I taught at Cowra High School, Queanbeyan High School and then on exchange at Kaikorai Valley High School at Dunedin in New Zealand.



Laurie and his older brother Jack on a shoot at Barellan

**In 1969 I was appointed an Inspector of Schools**, and spent many years travelling to country schools in NSW. In 1980 I was granted a Teaching Services Fellowship to study educational systems in North America, UK and Europe.

After 57 happy years of marriage, my first wife Judy passed away in 2014. My current wife Marjie (who is 85) and I now live in an over-50s resort and are still very active physically, mentally and socially.



Laurie and his second wife, Marjie



Teachers on a wet school athletics day at Richmond High

We like to travel. In May we went to Fiji. We have just returned from Armidale **where I researched material for my 5th crime novel in my HARRY series**. In a couple of weeks we are going to Sydney, to see the opera and meet friends and family. In October we are doing the Outback Spirit trip from Adelaide to the Centre. In February we are doing the Mekong cruise. We keep physically active by **walking, swimming, tai chi, gymnasium and senior health programs**.

17 years ago, I had a triple bypass. Since then I have maintained a good diet and fitness program. During my annual stress echo test this year, **my cardiologist stopped me after 9 minutes when I had reached 8kph at an elevation of 16 degrees!**

**To get to where I am now depended very much on the good work and support of Teachers Health and the staff. Please pass on my best wishes and thanks to all the team.”**

## David Maher

“My professional teaching career began at the age of 18. **I was appointed as a teacher-in-charge of a one-teacher school in an isolated community** near the junction of the Snowy and MacLaughlin Rivers, 40 km east of Mt Kosciuszko.

**The school building was an old barn** which enabled the school to be established in the 1930s. Winters were harsh at Bungarby and we were favoured annually with a good fall of snow, which the pupils enjoyed.

It was a most enjoyable career. **My desire to foster education in isolated locations** enabled me to progress the lives of many wonderful young (and in some cases rather socially and culturally deprived) youngsters, and some aspiring teachers. Several have kept me informed of their lives.



David, his wife Anne and their grandchildren



David as an 18-year-old teacher in the 1950s

**I had enormous enjoyment from being a teacher** because the work enabled me to interact with pupils, teachers and school communities. Also, I was able to assist the personal and professional development of assistant teachers, the executive who lead them, and the ancillary staff who support them. In the process, I hope I brought a human understanding to, and respect for, the profession of teaching.

**In my work, I gave due importance to the health and wellbeing of teachers** by encouraging participation in a health fund. Pastoral care was an essential element of my role as I perceived it.

Whenever appropriate, I encouraged membership of Teachers Health – in my experience a doyen among health insurance organisations. Many a health professional who has looked after my wellbeing has told me that I was fortunate to have access to such a caring, efficient and effective provider.

**It is an honour to be a Foundation Member.**

Best wishes for a successful 70 year celebration. **Teachers Health has served me so well and is a marvellously efficient and effective organisation.”**

“

**Teachers Health has served me so well and is a marvellously efficient and effective organisation.**

”



David at his one-teacher school in Bungarby, east of Kosciuszko

My first appointment as a Headmaster in 1960 was to Goodooga, 87 miles north-west of Walgett. I remained for four years, becoming the longest-serving Headmaster of the remote appointment. This was followed by Warren Central School. After three wonderful years in the Warren community, I was appointed as District Inspector of Schools, Moree – a post that brought me great satisfaction.

Ultimately, I was appointed Regional Director of Education for the New England North-West Region in 1982, a position from which I retired in 1989.





Nancy – Teacher and Teachers Health member



# Corporate Governance Statement

## Legal and governance structure

Teachers Federation Health Ltd (Teachers Health or the Group) is a company limited by guarantee and is subject to the Corporations Act 2001 (Cth). The Group is registered as a restricted private health insurer. Teachers Health conducts a health benefits fund (the Fund) in accordance with the Private Health Insurance (Prudential Supervision) Act 2015 (Cth) and provides health insurance products in accordance with the Private Health Insurance Act 2007 (Cth). The company has a Board of Directors (Board) that oversees the performance, reputation, and sustainability of the Fund.

As a regulated entity, Teachers Health must comply with prudential standards made by the Australian Prudential Regulation Authority (APRA). This includes complying with APRA's cross-industry Prudential Standard (CPS) 510 Governance. Teachers Health has adopted a Risk Management Strategy and Framework to effectively develop, implement and review corporate governance policies, procedures, systems, and controls.

As at 30 June 2024, the Board's corporate governance practices reflect the ongoing focus of the Board in discharging its responsibilities to satisfy the expectations of Group Members, policyholders, regulatory authorities, and other key stakeholders.

## Board of Directors

### Role and responsibilities

The Board operates under a Board Charter that outlines broad governance principles. The Board provides overall strategic guidance for Teachers Health and effective oversight of management. The Board ensures that the Group complies with its Constitution and all legal, operational, and regulatory requirements.

The Board's specific responsibilities for Teachers Health are:

- *Strategy and Review.* Charting the organisational direction, business plan and performance objectives;
- *Management performance.* Monitoring and assessing the CEO and other senior executives' achieving Board-approved strategies, budgets and key performance indicators;

- *Remuneration.* Approving remuneration policies and practices, including reviewing the performance and remuneration of the CEO;
- *Stakeholder management.* Effectively communicating with Group members, policyholders, and other key stakeholders;
- *Ethics, conduct and culture.* Actively promoting ethical and responsible decision making and maintaining a code of conduct to guide Directors, senior executives and all employees;
- *Financial and capital management.* Overseeing Teachers Health's accounting and financial management systems including approving the annual financial report, investments, and capital; and
- *Compliance and risk management.* Overseeing risk management and control systems, and legal compliance processes that govern operations.

The Board has delegated a number of responsibilities to Board committees to support its decision-making process. Board committee outcomes are reported to the Board.

The Board has also delegated to the CEO the authority to manage the day-to-day affairs of Teachers Health in accordance with the Board Charter and the Delegation of Authorities Policy. The CEO is not a Director of the Group. Key management personnel including the CEO (and other employees of Teachers Health) are authorised, within limits, to make certain decisions necessary to perform the work assigned to their positions. These authorities are exercised within an extensive system of internal controls and external auditing.

### Board composition

The Board comprises ten Directors, each of whom is a non-executive Director. A majority are Independent Directors. The Group's Constitution provides that the Board is made up of the following classes of Directors:

- Two ex-officio Directors, being the Branch President and the General Secretary of the Australian Education Union New South Wales Teachers Federation (NSWTF) Branch or their respective authorised nominees;
- Five independent specialist Directors;
- An independent specialist Chair; and

- Two Insured Persons elected independent Directors.

Teachers Health seeks to maintain an appropriate mix of skills, expertise, experience, and diversity on the Board to ensure an understanding of and competence to deal with current and emerging issues relating to Teachers Health's business and enhance its performance.

Details of each Director's qualifications, experience, special responsibilities, and attendance at meetings are set out in the Directors' Report.

The Chairperson is an independent and non-executive Director appointed by the Board. The Chairperson's responsibilities include:

- Leading the Board in reviewing and discussing Board matters;
- Ensuring the efficient organisation and conduct of the Board's function;
- Promoting constructive relations between Board members and between the Board and management; and
- Reviewing corporate governance matters with the CEO and reporting on those matters to the Board.

### Appointment and election of Directors

Teachers Health seeks to have a Board comprised of Directors that collectively have a range of skills, knowledge, and experience to:

- Understand and manage the risks to the organisation;
- Understand and ensure compliance with the organisation's legal prudential obligations;
- Effectively oversee management performance of the organisation; and
- Effectively contribute to the Board's deliberations and processes.

The private health insurance industry is heavily regulated and complex. APRA mandates governance and prudential standards that require ongoing compliance. Directors maintain a sound understanding of these obligations.

# Corporate Governance Statement

All Directors must meet the Fit and Proper Policy requirements of the organisation. To this end, the Board has established a set of general criteria and skills that apply to all Directors.

Specific criteria may be developed for each appointment, having regard to:

- The immediate collective capacity of the Board in terms of the mix of skills, experiences, functional orientation, and personal qualities;
- The organisation's current and future strategies;
- The Board's renewal policy, succession plans and business development intentions; and
- Diversity, but only as a secondary dimension to skills, experience, and personal qualities.

The Board has developed a role description for Directors that details the role and responsibilities of Directors as well as the professional qualifications and skills required.

Directors are appointed and/or elected to the Board in accordance with the Constitution, which places limits on the period for which a Director may hold office. An elected member Director must not hold office without re-election for more than two years. Specialist Directors are appointed for a term of up to three years. Retiring Directors are eligible for re-election. Directors appointed to the Board (other than the elected member Directors) must have their appointment confirmed by the Group Members at the next Annual General Meeting.

## Director induction and education

Directors participate in a formal induction program upon appointment. The Board has also established a program of continuing education. The People and Remuneration Committee oversees and regularly reviews the induction procedures, continuing development, and education program for Directors. This includes hosting sessions with experts in the particular fields relevant to Teachers Health operations and promoting attendance at relevant conferences and seminars. The training and education programs ensure that Directors keep up to date with developments in a dynamic and challenging industry. Directors are also encouraged to attend and actively participate in education sessions and courses offered by external organisations such as the Australian Institute of Group Directors and the Governance Institute of Australia.

## Board meetings

The Board meets at least eight times during the year according to a schedule determined at the end of the preceding calendar year. The scheduled meetings are supplemented by special purpose meetings where required. An extensive agenda is prepared for each meeting. The agenda enables Directors to be adequately informed about the operations of Teachers Health in line with meeting established corporate objectives. This includes monitoring management's implementation of key strategic initiatives, reviewing financial performance and capital management, and considering the environment in which the Group operates. Matters of a strategic nature

are given priority. In addition to the Board meetings, a structured Directors' development and strategy review is the major focus of the Board workshop held at least annually.

## Directors' independence and management of conflicts of interest

Board composition is an issue regularly considered by the Board and its committees. The Board places high importance on Directors' independence of any interests of stakeholders, management, and competing or conflicting business interests.

Applying APRA's CPS 510, particular consideration has been given to strengthening the Board's independence. A Director is considered independent if the Director is a non-executive Director who is not a member of management, not an ex-officio Director and is free of any business or other association that could materially interfere with the exercise of their unfettered and independent judgement.

A Director will not be independent who:

- Is employed, or has previously been employed in an executive capacity by Teachers Health, or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- Within the last three years, has been a principal of a material professional adviser or material consultant to Teachers Health or another Group member or an employee



Jessica – Teacher and Teachers Health member



materially associated with the service provided;

- Is a material supplier or customer of Teachers Health or another Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- Has a material contractual relationship with Teachers Health or another Group member other than as a Director of Teachers Health.

A Director who has, or has had in the last 12 months, an association with the Australian Education Union New South Wales Teachers Federation (NSWTF) Branch such as the Branch President, the Branch Deputy President, the General Secretary, a member of the Branch Executive, an Assistant Secretary or an Administrative Officer will not be considered independent.

All Directors, whether independent or not, must at all times bring an independent judgement to bear on all Board decisions.

Teachers Health has a Board Renewal Policy and succession planning arrangements which promote fresh ideas and independent thinking while retaining adequate expertise and business knowledge. Terms of tenure are staggered to support continuity and the appropriate transfer of knowledge and skill of Directors. In implementing the Board Renewal Policy, consideration is also given as to whether each Director has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with their independence or ability to act in the best interest of the Group.

The Board is committed to ensuring a high standard of accountability and integrity in the way Teachers Health operates. Directors are committed to behaving consistent with values that achieve member centricity, collaboration and teamwork, empowerment and accountability, continuous improvement and innovation, integrity, and social responsibility.

Teachers Health has a Conflict of Interest Policy and Framework to assist it in managing conflicts of interest across the organisation by:

- Identifying and monitoring all actual and potential conflicts of interest;
- Avoiding conflicts of interest where possible;

- Managing a conflict of interest where it cannot be avoided; and
- Ensuring appropriate action is taken in the event of a conflict of interest arising.

Teachers Health also actively promotes ethical and responsible decision making. Directors are required to disclose conflicts and material personal interests, whether actual or potential, to the Board. A Register of Directors' interests is maintained and regularly reviewed. The People and Remuneration Committee annually assesses the independence of each Director in light of the interests disclosed by them.

Where necessary, the Board will evaluate whether a Director should participate in the consideration of a matter by using the mechanism set out in the Constitution and the Corporations Act 2001 (Cth). Directors regularly review their positions to assist in the avoidance of situations where the interests of the Directors might affect, or appear to affect, decision making by the Board.

## Fit and proper

Teachers Health has developed and implemented a Fit and Proper Policy to assist in assessing the fitness and propriety of Directors and other nominated persons (Responsible Persons) in line with APRA's CPS 520 Fit and Proper prudential standard. Responsible Persons must have the appropriate skills, experience, and knowledge to perform that role ("competencies") and must act with the requisite character, diligence, honesty, integrity, and judgement ("character").

A person will be considered "fit and proper" if they are assessed to meet substantially the assessment criteria and, if appropriate, in the position description for their role. The assessment consists of an attestation by the individual, followed by the Group periodically undertaking any necessary and relevant investigations to verify the information provided in the attestation. This may include, where considered appropriate or desirable, referee checks, police checks and searches of appropriate registers. In the case of Directors' skills, knowledge and experience, the assessment criteria apply to the Directors collectively, rather than each individual Director necessarily meeting all of the criteria, such that the Board as a whole meets the criteria.



Nancy – Teacher and Teachers Health member

## Access to information and independent professional advice

Managers responsible for critical areas of the business are regularly requested to brief the Board and its committees to assist Directors. These briefings contribute to the assessment made by the Board about the performance of management in running the business. External professionals and consultants also brief the Board and its committees where appropriate.

The Board has in place a procedure whereby Directors are entitled to seek independent professional advice at the expense of Teachers Health to assist them in carrying out their duties as Directors. The procedure provides that any such advice is generally made available to all Directors.

# Corporate Governance Statement

## Remuneration of Directors and executive management

In accordance with clause 14.9 of the Group's Constitution, Directors are paid in the aggregate up to the remuneration determined by resolution at a meeting of the Group Members. This reflects industry practice and the increase in demands on Directors.

For the twelve months ended 30 June 2024, the total remuneration of key management personnel, which includes the Directors and executive management, is disclosed in the annual financial statements.

As required by legislation, superannuation is paid in respect of remuneration at the rate provided by the Superannuation Guarantee.

Directors are reimbursed for expenses to cover costs incurred when attending meetings, conferences, courses, and professional registration fees. The Group provides Directors and Officers Insurance.

The Board, based on recommendations from the People and Remuneration Committee, determines the remuneration of the CEO as part of the incumbent's terms and conditions of appointment. Teachers Health's policy in respect of the CEO and executive management incorporates remuneration that is competitively set so the organisation can attract, motivate, and retain high calibre executives to lead the Group. The People and Remuneration Committee reviews the remuneration of the CEO and executive management annually through a process that considers individual performance and relevant comparative market remuneration data from an independent third party. The outcomes of this process are reported to and discussed with the Board.

The CEO and executive management have individual, team and overall business key performance indicators set each year. The People and Remuneration Committee annually reviews the performance of the CEO in a structured process that includes performance against targets set. The outcome of this review is reported to the Board as a whole. The CEO annually reviews the performance of executive management in a structured process that includes performance against targets set. The outcome of this review is discussed with the People and Remuneration Committee and reported to the Board.

There are no short-term incentive, performance bonus or long-term incentive payments (such as share options) made to any Director, the CEO or executive manager of the Group.

## Board performance

The Board has a policy of undertaking annual assessments that includes evaluating the effectiveness of board committees and individual Directors. The People and Remuneration Committee has oversight of this process.

This assessment may be by way of self-assessment and is periodically supplemented by sessions facilitated by an external consultant inclusive of interviews with Directors. The Chairperson and/or a facilitator (if an external consultant is used), formally discusses the results of the performance review with individual Directors and the Board as a whole. The discussion also considers the overall effectiveness of the Board. Actionable recommendations are implemented as soon as practicable after the final Board performance evaluation is received.

Each of the Board's committees also reviews its performance against the objectives of its respective charter annually.

## Directors' and officers' insurance

Teachers Health maintains an insurance policy for the benefit of the Directors, the company secretary, officers, and employees (as defined by the policy) insuring all insured persons against a liability (and not including any liabilities for which insurance is prohibited under s199B of the Corporations Act 2001 (Cth)).

In accordance with commercial practice, the insurance policy prohibits the disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premiums.

## Board committees

The Board has established three committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The standing committees are:

- Audit and Finance Committee,
- People and Remuneration Committee, and
- Risk and Compliance Committee.

Each committee has its own written charter setting out its responsibilities, composition, structure, and the manner in which the committee is to operate.

Board committees have delegated authority within their charter of responsibilities and make recommendations to the Board. Activities of each committee are reported to the Board at the next full Board meeting. Where there are matters of relevance to more than one committee, a joint meeting of those committees may be held to discuss the matter, or the matter may be dealt with by one committee before being referred to the other committee.

Details about the membership of committees and the attendance of members at committee meetings are set out in the Directors' Report. In addition to the three standing committees, the Board may from time-to-time hold joint committee meetings and create ad-hoc Board committees as required.

## Audit and Finance Committee

The Audit and Finance Committee has been established to assist the Board to fulfil its statutory and regulatory responsibilities relating to the financial reports, the financial condition of Teachers Health and matters concerning the Appointed Actuary, the External Auditors, and internal auditors.

The purpose of the Committee is to provide an objective, non-executive review of the effectiveness of Teachers Health's financial reporting and risk assurance framework.

The Committee is comprised of a minimum of three (3), and up to a maximum of five (5) non-executive members of the Board, a majority of whom are independent, and each of whom has appropriate financial experience and understanding of the private health insurance industry.

The Board determines the Chairperson of the Committee who must meet two criteria: (i) be an independent non-executive member of the Board and (ii) not be the Chairperson of the Board.



The Committee's responsibilities include, within the scope of its authority, to oversee, review, and make recommendations to the Board on:

- All APRA statutory reporting requirements;
- An objective non-executive review of the effectiveness of the financial reporting framework to ensure the balance, transparency, and integrity of published financial information;
- The financial condition of the Group and the health benefits fund conducted by Teachers Health;
- The appointment, role, and performance of the Appointed Actuary;
- The effectiveness of Teachers Health's internal control systems and internal audit function;
- The independent audit process including the appointment, independence, performance, remuneration and removal of the External Auditor;
- The investment activities of Teachers Health including investment policy, investment strategy, investment performance and appointment of investment advisors;
- The maintenance of an effective Whistleblower Policy and procedures,

including how matters raised under the Whistleblower Policy are dealt with to ensure the appropriateness of action; and

- Undertake any special projects delegated by the Board or deemed necessary by the Committee.

The Committee Charter provides that the Committee meet not less than three (3) times per year. The Committee met four (4) times during the reporting year. The Committee has an opportunity to meet with the External Auditor, including without management being present, at each Committee meeting.

## People and Remuneration Committee

The People and Remuneration Committee has been established to assist the Board in fulfilling its statutory and regulatory responsibilities. The Committee oversees, reviews, and makes Board recommendations relating to Board composition, renewal and performance, human resource matters and compliance with employment laws and regulations.

The Committee is comprised of a minimum of three (3), and up to a maximum of five (5) non-executive members of the Board, the majority of whom are independent.

The principal responsibilities of the Committee are to:

- Make recommendations to the Board on the necessary and desirable Director competencies, succession planning and the process of evaluating the performance of the Board, its committees, and Directors;
- Make recommendations to the Board on the appointment of new Board member candidates, having regard to their skills, experience, and expertise;
- Develop and review induction procedures, continuing development, and education programs for Board Directors;
- Establish and conduct the annual performance evaluation of the CEO and report to the Board the outcomes of this review;
- Review with the CEO the outcomes of the annual performance evaluation of direct reports to the CEO and other persons whose activities may, in the Committee's opinion, affect the financial soundness of Teachers Health and any other person specified by APRA;
- Review the conditions of employment and annual remuneration of the CEO and report the outcomes of this review to the Board;

Robynne – Registered Nurse, Midwife, and Nurses & Midwives Health member



# Corporate Governance Statement

- Review and approve the recommendations of the CEO relating to the conditions of employment and annual remuneration of the direct reports of the CEO, other persons whose activities may, in the Committee's opinion, affect the financial soundness of Teachers Health and any other person specified by APRA;
- Periodically review with the CEO, the Teachers Health organisational capability and succession plan for employees, managers, and executives; and
- Review people-related issues and policies generally.

The Committee Charter provides that the Committee meet not less than three (3) times per year. The Committee met four (4) times during the reporting year.

## Risk and Compliance Committee

The Risk and Compliance Committee has been established to assist the Board to fulfil its statutory and regulatory responsibilities by providing objective, non-executive oversight, and review of the effectiveness of the implementation and operation of Teachers Health's risk management and compliance management practices.

The Committee is comprised of a minimum of three (3), and up to a maximum of five (5) non-executive members of the Board. A majority of members are independent, with appropriate risk management and governance experience and understanding of the private health insurance industry. The Board determines the Chairperson of the Committee who is an independent non-executive member of the Board and not the Chairperson of the Board.

Within its scope of authority, the Committee reviews and makes recommendations to the Board on:

- Teachers Health's system of risk management and internal control, including:
  - The effectiveness of the Risk Management Strategy and Framework, having regard to the organisation's risk management culture;
  - The identification and assessment of the material risks considered against the organisation's risk appetite;

- The organisation's Business Continuity and Disaster Recovery Framework; and
- The appropriate level of reporting on the performance and application of the risk management and internal control system.
- Teachers Health's corporate governance policies and practices, including:
  - Systems and procedures for compliance with laws, regulations, internal policies, and industry standards;
  - Corporate governance, regulatory and compliance issues including the Private Health Insurance Act 2007, Private Health Insurance (Prudential Supervision) Act 2015, APRA Rules, Prudential Standards and Reporting Standards, Ministerial Private Health Insurance Rules, the Corporations Act and ASIC requirements;
  - Review of material changes and disclosure of corporate governance policies and information to ensure effective communication of corporate governance practices; and
  - Best practice developments in corporate governance.

The Committee Charter provides that the Committee meet not less than three (3) times per year. The Committee met five (5) times during the reporting year.

## Accountability and audit

### External audit

The Group has appointed Ernst & Young ("External Auditor") to audit the records and financial statements of the Group for the 2024 financial year and also to perform various regulatory and compliance audits. Ernst & Young was appointed External Auditor on 26 November 2018.

The Audit and Finance Committee meets with the External Auditor during the year to:

- Discuss the external audit, identify any significant changes in structure, operations, internal controls, or accounting policies likely to impact the financial statements;
- Review the results and findings of the

auditor, the adequacy of accounting and financial controls, and monitor the implementation of any recommendations made; and

- Finalise annual reporting, review the preliminary financial report before sign-off and any significant adjustments as a result of the auditor's findings.

The External Auditor reviews and tests the system of internal controls, to the extent necessary, to be able to issue an independent opinion on the financial statements at the end of the year. The External Auditor is invited to attend the Annual General Meeting and is available to answer questions from Group Members on the conduct of the Group audit, the preparation and content of the audit report, the accounting policies adopted by Teachers Health and the independence of the auditor in relation to the conduct of the audit.

### Internal controls

The financial and operational performance of Teachers Health is monitored by the Board through regular management reporting of performance against budgets and other relevant key performance indicators. The Board is responsible for the overall internal control framework and for reviewing its effectiveness. Key features of the control environment include the Charters of the Board and each of its committees and a clear organisational structure with documented delegation of authority from the Board to executive management.

### Internal audit

Internal audit operates under its own Charter. PwC Australia was appointed as the internal auditor from 1 January 2016. The internal audit function provides an independent and objective review of the management of Teachers Health's risk management framework, the management of its material risks and the implementation of effective controls designed to manage these risks.

The internal auditor provides reasonable assurance against material loss by enabling the identification of matters that require the attention of management or the Board. These controls have been established by management and are reviewed periodically by internal audit through an internal audit plan agreed annually with the Audit and Finance Committee. Findings of reviews are reported to the Audit and Finance Committee and the Board.



## Risk management

Teachers Health recognises effective risk management is good management practice, supports achieving organisational objectives and is an integral part of sound corporate governance. A detailed Risk Management Strategy and Framework based on ISO 31000:2018 has been developed and implemented by management and endorsed by the Board. This risk management framework is critical to the safety, reputation, and sustainability of the operations of the business and to the ongoing viability of the health benefits fund operated by Teachers Health.

The various risk management practices are undertaken to provide a consistent approach to the identification, assessment, management and reporting of risk and support the overriding principle that business risk is everyone's responsibility. All staff, managers and contractors share that responsibility in various ways. Embedding an effective risk culture is an ongoing focus of Teachers Health to facilitate this.

Both the Board and the Risk and Compliance Committee receive frequent updates about the management of risk. At each Board meeting, the CEO updates the Board on developments in relation to the material business risks facing Teachers Health. The Board reviews organisational performance against its approved risk appetite on a quarterly basis.

## Ethical standards

### Code of Conduct

Teachers Health has adopted a Code of Conduct (the Code) that applies to all Directors, officers, employees, contractors, and consultants to Teachers Health. The Code sets out the ethical standards and rules of Teachers Health and provides a framework to guide compliance with legal and other obligations to stakeholders, including:

- the avoidance of conflicts of interest or disclosure of conflicts of interest if one occurs
- acting appropriately in relation to corporate opportunities and other benefits

- compliance with the Privacy Act 1988 (Cth)
- the integrity and security of confidential information
- dealing honestly and fairly with all parties, and
- compliance with relevant laws and regulations.

## Industry Code of Conduct

Teachers Health is a signatory to the Private Health Insurance Code of Conduct (PHI Code). The purpose of the PHI Code is to promote informed relationships between private health insurers, consumers, and intermediaries, to enhance standards across the private health insurance industry.

Teachers Health is required to submit annually either a certification attesting to, or a full self-audit evidencing, compliance with the Code. Teachers Health submitted a certification in July 2023 which was subsequently approved by the PHI Code of Conduct Compliance Committee.

## Diversity and inclusion

Teachers Health values diversity and inclusion and is committed to progressing its maturity, embedding it within the business operations and culture. The Group is intentional in efforts to build a diversity of skills, expertise, and experience within the organisation, including on the Board, to successfully navigate the increasingly complex world it is operating in to support strong business performance and outcomes for policyholders.

A voluntary target for Board gender equality was set using the 40%<sub>m</sub>:40%<sub>w</sub>:20% flexible to any gender approach. Representation of women on the Board has continuously met that target for more than five years and is at 60% in 2024.

In accordance with the requirements of the Workplace Gender Equality Act 2012, Teachers Health lodged its 2024 annual public report with the WGEA. A copy of the report can be accessed at [wgea.gov.au](http://wgea.gov.au).

The representation of women across the organisation as at 31 March 2024 is shown in the below table:

Category	Number	Percentage of category
Women on the Board	6	60%
Women in senior executive	3	38%
Women in management positions	18	50%
Women employees in the whole	283	64%

Teachers Health will continue to build a welcoming environment so that employees can bring unique perspectives, skills and experience knowing they are respected, valued, and celebrated.

## Whistleblower Policy

Teachers Health is committed to the prevention and early identification of breaches of law, regulations, codes, or standards relevant to the Group and its controlled entities. For this purpose, Teachers Health has developed and implemented a Whistleblower Policy. Teachers Health's whistleblower process facilitates the disclosure of misconduct and supports eligible whistleblowers.

The Whistleblower Policy encourages and provides a framework for all Teachers Health employees (and others) to report any corrupt or improper conduct or behaviours that they have reasonable grounds to believe contravene Teachers Health's policies or the law, including:

- misconduct, or an improper state of affairs or circumstances,
- contravention of any law administered by ASIC and/or APRA,

# Corporate Governance Statement

- conduct that represents a danger to the public or the financial system, and
- an offence against any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months or more.

Teachers Health provides a number of avenues for the reporting of disclosures. In addition to the prescribed categories of eligible recipients, Teachers Health has engaged an external whistleblowing service to receive and support the effective management of disclosures. This service enables eligible whistleblowers to report anonymously.

## Reporting under the Modern Slavery Act 2018 (Cth)

In December 2023, Teachers Health published its fourth Modern Slavery Statement under the Modern Slavery Act 2018 (Cth). This statement, covering Teachers Health and its

controlled entities, is available on the Teachers Health website and the Attorney General's Modern Slavery Statements Register.

The Modern Slavery Act 2018 (Cth) defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; the worst forms of child labour. Modern slavery can occur in every industry and sector, with severe consequences for victims.

Teachers Health continually assesses and takes measures to address the Group's risk of modern slavery practices in its operations and supply chain by:

- Performing initial and ongoing exposure assessments of its direct suppliers (tier 1);
- Using a supply chain management platform to assess the Group's exposure to modern slavery practices on an ongoing basis;

- Contributing to a Private Health Insurance Modern Slavery Community of Interest to support an industry-wide approach;
- Including clauses to address modern slavery risks in new and renewing supplier contracts considered to be in high-risk categories; and
- Providing e-learning on modern slavery across the organisation with focused training delivered to relevant staff to increase rigour in the procurement process.

Teachers Health periodically reviews the effectiveness of steps taken to address the risks of modern slavery practices in its operations and supply chain. Teachers Health aims to continually monitor and where necessary, improve any policies procedures and systems to address modern slavery.

Andrew, Mental Health Nurse, and Linda – Nurses & Midwives Health members







# Directors' Report

Your Directors present their report, together with the consolidated financial statements of the Group consisting of Teachers Federation Health Ltd (Teachers Health or the Group) and the entities it controlled (collectively referred to as the Group) at the end of or during the year ended 30 June 2024.

## Directors

The names and details of the Directors of Teachers Health in office at any time during the financial year, including the period until the date of this report, were as follows:

### M O'Halloran AM

Chairperson

BA, Dip Ed, BLegS, GDLP, LLM, GAICD

Maree O'Halloran was appointed to the Board of Teachers Health in March 2021 and to the position of Chairperson in March 2022.

She is currently a Legal Consultant at NEW Law Pty Ltd. Prior to her appointment with NEW Law in April 2015, Ms O'Halloran was the Director of the Welfare Rights Centre for seven years where she also practised as a solicitor. Ms O'Halloran has worked as a teacher in both public schools and TAFE. She has been an active voice for the teaching community and is a former President of the NSW Teachers Federation. She is currently Chairperson of Teachers Mutual Bank and has served as a member of the NSW Public Service Commission Advisory Board, HESTA, Chair of Nurses & Midwives Health Pty Ltd and the SAS Trustee Corporation.

Ms O'Halloran was awarded the Member of the Order of Australia (AM) in the 2011 Australia Day Honours List, in recognition of her service to industrial relations and the education sector.

Ms O'Halloran is a member of the People & Remuneration Committee, Audit & Finance Committee, and the Risk & Compliance Committee.

### G M Ackroyd

Deputy Chairperson

Dip Ed, BEd, MA, MAICD

Gemma Ackroyd was appointed to the Board of Teachers Health as an Independent Specialist Director (Education) in November 2019.

Ms Ackroyd is a former teacher, educational leader and school principal with 37 years of service in the public education system. Active in the NSW Teachers Federation throughout her teaching career, Ms Ackroyd was elected to a variety of roles including as a member of the Federation Executive and a Vice President. She

represented the NSW Teachers Federation on a number of state statutory and professional learning committees. She is President of the Retired Teachers Association.

Ms Ackroyd was awarded the Australian Centenary Medal in 2001 in recognition of her contribution to education.

In addition to the Deputy Chair role, she chairs the People and Remuneration Committee and is a member of the Audit and Finance Committee.

### B Holmes

Director

GAIST, GAICD

Registered Nurse Non-Practising, Registered Midwife Non-Practising

Brett Holmes was appointed to the Board of Teachers Health as an Independent Specialist Director (Health) in June 2023.

Mr Holmes was the General Secretary of the NSW Nurses and Midwives Association from 2002 to 2022 and the Branch Secretary of the Australian Nursing and Midwifery Federation, NSW Branch from 2002 to 2022. Prior to joining the NSW Nurses and Midwives Association in 1990 as an Organiser, Mr Holmes worked as a General Nurse, Psychiatric Nurse, and Midwife. Mr Holmes was a Director of HESTA superannuation from 2000 to 2016 and again from 2021 to 2023.

Mr Holmes is a member of the Risk and Compliance Committee and the Audit and Finance Committee.

### T J Mulroy

Director

BA, Dip Ed, MAICD

Tim Mulroy was appointed to the Board of Teachers Health in November 2012.

Mr Mulroy is a former teacher having served in public schools in rural and remote locations for the entirety of his career. His most recent appointment was as Head Teacher – Special Education.

Mr Mulroy is a former Vice President of the NSW Teachers Federation and a Life Member of the NSW Teachers Federation, the

Australian Education Union (AEU), as well as the Wilcannia Teachers Association and the Murwillumbah Teachers Association.

Apart from his work on the Board of Teachers Health, Mr Mulroy is a member of the NSW & ACT Committee of ABC Friends and the President of the Northern Rivers Branch. He is a voting member (AGM) of the Australian Consumers Association (Choice Magazine).

Mr Mulroy is a member of the Audit and Finance Committee and the Risk and Compliance Committee.

### S Roberts

Director

BEC, FIAA, MAICD

Susan Roberts was appointed to the Board of Teachers Health as an independent non-Executive Director in 2017.

Ms Roberts is an experienced Director and CEO with over 30 years in the financial services, investment, and insurance industries. Her current roles include non-executive Director and Chair of Audit for AIG Australia, non-executive Director and Chair of Audit and Risk for HMC Capital [ASX:HMC], and non-executive Director and Chair of Remuneration for Metlife Australia.

Ms Roberts has a technical actuarial and investment background coupled with risk management, business strategy, governance, and stakeholder management skills. She has significant commercial and financial executive experience, including as CEO and Managing Director of Lazard Asset Management Pacific, and Director, Strategy at Lend Lease Investment Services.

Ms Roberts has previously held a number of non-executive Director roles including with Maple-Brown Abbott, a number of FNZ entities in the Asia Pacific region, and for Zurich Australia Superannuation. She was also Chair of the Investor Working Group for the 30% Club in Australia. In addition, she served as a member of the ASFA Economics and Finance Policy Council, as an Adjunct Professor of Finance, University of Sydney Business School and as Chief Tutor, Investments for the Actuaries Institute of Australia.

Ms Roberts chairs the Audit and Finance Committee.



## M Rosicky

Director

BA, AdvDip Ed, MAICD

Michelle Rosicky was appointed to the Board of Teachers Health in November 2013.

Ms Rosicky is a former teacher, having served in Public Schools in both metropolitan and regional high schools, before being elected as an officer for the New South Wales Teachers Federation.

Ms Rosicky held numerous positions with the NSW Teachers Federation including Women's Co-ordinator, City Organiser, and Deputy Secretary, with responsibility for School Organisers. She is a life member of the NSW Teachers Federation and the Australian Education Union (AEU). Her work with the AEU included chairing and being a member of the National Women's Committee.

Ms Rosicky is a member of the Risk and Compliance Committee and the People and Remuneration Committee.

## M Sciffer

Director

BIT, GDEd, GDSoc.Sci, PGDPsych

Michael Sciffer was appointed to the Board of Teachers Health in June 2023 as the nominee of the President of the Australian Education Union NSW Teachers Federation (NSWTF) Branch.

Mr Sciffer is a school counsellor and Vice President of the NSW Teachers Federation. He is a PhD candidate of Murdoch University having published several research articles on school segregation and its effects in Australia and internationally.

## M L Sharkey

Director

B. Soc. Sci., BVET

Maxine Sharkey was appointed to the Board of Teachers Health in May 2021 upon taking up the position of General Secretary of the Australian Education Union NSW Teachers Federation Branch. As General Secretary, Ms Sharkey has oversight and responsibility for governance, finances, and employment matters, as well as the day to day running of the union representing approximately 60,000 members.

Ms Sharkey was first elected as a TAFE Organiser in 2007 and subsequently held

the role of Federation Assistant Secretary (Post Schools) for 8 years and the Australian Education Union Federal TAFE Secretary from 2020–2023. She has held a role on the Teachers Federation Executive since 2015

Before commencing work as a teacher in TAFE NSW in 1999, Ms Sharkey worked for the Department of Community Services in Child Protection for many years. That role involved holding significant legal responsibilities.

## M Smith

Director

Dip Ed, BA

Mel Smith was appointed to the Board of Teachers Health as a Specialist Director (Education) in November 2022.

Ms Smith is the current Deputy Secretary (Communication & Administration) of the NSW Teachers Federation where she has responsibilities for governance and LGBTIQ+ matters. Ms Smith worked as a HSIE teacher in public high schools prior to taking up positions with the NSW Teachers Federation.

She is also currently a member of the Australian Education Union (AEU) Federal Executive and is a member of its Finance Committee.

Ms Smith is a member of the People and Remuneration Committee.

## D Torrance

Director

BA, FIAA, GAICD

David Torrance was appointed to the Board of Teachers Health as an Independent Specialist Director (Risk and Governance) in October 2022.

Prior to retiring from full-time employment in April 2021, Mr Torrance was a consulting actuary with more than 40 years' experience in the financial sector. This included more than 25 years' experience in the private health insurance sector, where he fulfilled the role of Appointed Actuary for a number of private health insurers advising them on a range of matters including financial, risk and capital management, strategic and business planning, and mergers and acquisitions. Mr Torrance has provided advice to government and industry bodies on a range of private health insurance related matters including prudential capital and risk equalisation.

Currently, Mr Torrance is a member of the Actuaries Institute's Professional Practice Committee.

Mr Torrance chairs the Risk and Compliance Committee.

## Group secretaries

The names of the Group Secretaries in office at the end of the year were:

### B S Joyce

B. Comm., FCPA, FAICD

Brad Joyce was appointed Group Secretary in November 2010. Mr Joyce was appointed Chief Executive Officer of Teachers Health in 2006.

### P A Jones

B Ec., LLM

Penny Jones was appointed Group Secretary in February 2024 and holds the position of General Counsel at Teachers Health.

## Objectives

Teachers Health's long-term objectives are:

- To continue to ensure that Teachers Health delivers the value proposition designed to attract and retain policyholders by providing them with competitively priced products and services that meet their needs, and a level of service that policyholders recognise as superior;
- To maintain the resilience and commercial sustainability of the business through a combination of initiatives designed to grow revenue, manage benefits, lift business capability, and deliver business efficiencies;
- To operate an efficient business which focuses on ongoing business improvement transformation and innovation designed to increase organisational capabilities and undertake activities that will ensure the attraction, retention, development, and engagement of high-quality employees.

Teachers Health's objectives are reflected in the current Business Plan (FY2024–27) which is designed to improve and increase growth and retention (both in terms of revenue and policyholders as well as to lift organisational capability).

# Directors' Report

## Principal activities

The principal activities of the Group during the financial year were:

- The operation of its restricted access private health insurance business;
- The operation of Teachers Health Centres eyecare and dental businesses; and
- The operation of Teachers Healthcare Services care coordination for chronic disease management and hospital substitute programs.

The Group also provided general insurance, travel, and life insurance under authorised representative agreements.

## Strategy

The focus on sustainability and resilience continues to be fundamental to Teachers Health's business strategy. This includes the formal inclusion of an environmental, social and governance (ESG) strategy as part of Teachers Health's updated Business Plan.

The Business Plan has been evolving and adapting to ensure that Teachers Health effectively responds to the challenges and risks in the private health insurance industry.

Teachers Health intends to keep growing by protecting and enhancing its value proposition for current and future policyholders.

Underpinning the Teachers Health approach is being a 'better business' over the life of the current business plan to achieve the following:

- a new technology and service delivery platform, together with a number of complementary initiatives on the Capability Roadmap, aimed at delivering an improved member experience and a sustainable and resilient business over the long-term;
- the provision of integrated wellness, prevention, and disease management services to assist members achieve their best possible health outcomes; and
- above system organic growth, augmented by strategic and appropriate merger opportunities, to increase the size and scale of the business.

As a restricted private health insurer, Teachers Health has the health and wellbeing of policyholders at the heart of everything we do and is committed to providing value-for-money health insurance and the best possible service to its members.

## Measuring performance

Teachers Health uses a range of quantitative and qualitative metrics to set and monitor its performance against its overarching strategic objectives and to guide each annual business plan to maintain alignment with the strategic direction of the Group.

Key success factors and a range of operational key performance indicators are identified as part of the business planning process and reported against during the course of the financial year. The performance objectives of the CEO and executives of the organisation are aligned to these same metrics and indicators, and individual performance is measured against these annually.

## Group Members' guarantee

The Group is limited by guarantee and hence has no contributed equity.

If the Group is wound up, the Constitution states that all property (other than property forming part of a health benefits fund conducted by the Group) that remains after payment of all of the debts and liabilities of the Group shall be paid to an entity or organisation selected by the Directors, or in default by the court, which prohibits the distribution of its assets and income to its Group Members.

## Meetings of Directors

During the financial year, 22 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

Name	Board Meetings		Committee meetings					
			Risk & Compliance Committee		Audit & Finance Committee		People & Remuneration Committee	
	E	A	E	A	E	A	E	A
G Ackroyd	9	9			4	4	4	4
B Holmes	9	8	4	3	3	3		
T Mulroy	9	9	4	4	4	4		
M O'Halloran	9	9	5	5	4	4	4	4
S Roberts	9	9			4	4		
M Rosicky	9	9	5	5			4	3
M Sciffer	9	9						
M Sharkey	9	2						
M Smith	9	8					3	3
D Torrance	9	9	5	5				

**Table key:** E Number of meetings eligible to attend A Number of meetings attended



If the Group is wound up and cannot meet its debts, the Constitution states that each Group Member is required to contribute a maximum of ten dollars (\$10) towards meeting any outstanding obligations of the Fund.

The total amount that Group Members were liable to contribute at 30 June 2024 if the Group was wound up was one hundred and eighty dollars (\$180).

### Indemnification of Directors

During or since the financial year, the Group has paid premiums in respect of contracts insuring any past, present, or future Directors, Secretaries and other officers of the Group against certain liabilities.

In accordance with common commercial practices, the insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

### Indemnification of auditor

To the extent permitted by law, the Group has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year ended 30 June 2024.

### Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 76 and forms part of this Directors' Report.

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



M O'Halloran, AM  
Director

Dated this 26<sup>th</sup> day of September 2024  
Sydney, NSW

Taryn – Teacher and Teachers Health member



# Auditor's Independence Declaration



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## Auditor's independence declaration to the directors of Teachers Federation Health Ltd

As lead auditor for the audit of the financial report of Teachers Federation Health Ltd for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Teachers Federation Health Ltd and the entities it controlled during the financial year.



Ernst & Young



Louise Burns  
Partner  
Sydney  
26 September 2024

A member firm of Ernst & Young Global Limited  
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Guy, Allana, Parker and Zave – Teachers Health members

# Financial Statements





# Financial Statements

For the year ended 30 June 2024

## Contents

### Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

Consolidated statement of financial position

Consolidated statement of changes in equity

Consolidated statement of cash flows

### Notes to the financial statements

#### Section 1: Basis of preparation

- 1 Entity information
- 2 Basis of preparation
- 3 Adoption of new and revised accounting standards
- 4 Critical accounting estimates and judgements

#### Section 2: Operating performance

- 5 Revenue
- 6 Expenses
- 7 Health insurance liabilities

#### Section 3: Investment portfolio and capital

- 8 Cash and cash equivalents
- 9 Financial assets at fair value
- 10 Financial risk management
- 11 Reserves

### Section 4: Other assets and liabilities

- 12 Trade and other receivables
- 13 Inventories
- 14 Other assets
- 15 Property, plant and equipment
- 16 Intangible assets
- 17 Leases
- 18 Trade and other payables
- 19 Other provisions

### Section 5: Other disclosures

- 20 Group structure
- 21 Related party transactions
- 22 Auditor's remuneration
- 23 Commitments and contingent liabilities
- 24 Significant events after the reporting period
- 25 New accounting standards for application in future periods

### Signed reports

- Consolidated entity disclosure statement
- Directors' Declaration
- Independent Auditor's Report

# Consolidated statement of profit or loss and other comprehensive income

## For the year ended 30 June 2024

	Note	2024	2023 restated
		\$'000	\$'000
<b>Insurance revenue</b>	<b>5</b>	<b>952,769</b>	<b>896,243</b>
Insurance service expense – incurred claims		(855,589)	(776,236)
Insurance service expense – other insurance expenses	6	(89,074)	(83,673)
<b>Insurance service result</b>		<b>8,106</b>	<b>36,334</b>
Investment revenue	5	45,728	28,709
<b>Total investment income</b>		<b>45,728</b>	<b>28,709</b>
<b>Net insurance and investment result</b>		<b>53,834</b>	<b>65,043</b>
Other revenue	5	15,612	13,703
Member give-back expense	6	462	(55,229)
Other expenses	6	(14,900)	(13,354)
Finance costs	6	(721)	(861)
<b>Profit before income tax for the year</b>		<b>54,287</b>	<b>9,302</b>
Income tax expense		–	–
<b>Profit for the year</b>		<b>54,287</b>	<b>9,302</b>
Other comprehensive income – Property revaluation that will not be reclassified subsequently to profit or loss	15	–	3,551
<b>Total comprehensive income for the year</b>		<b>54,287</b>	<b>12,853</b>

This statement should be read in conjunction with the notes to the financial statements.

<sup>†</sup>The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has correspondingly restated the comparative period. The impacts of adoption are detailed in Note 3.



# Consolidated statement of financial position

As at 30 June 2024

	Note	30 June 2024	30 June 2023 restated	1 July 2022 restated
		\$'000	\$'000	\$'000
<b>Current assets</b>				
Cash and cash equivalents	8	69,851	82,132	84,131
Trade and other receivables	12	10,479	8,426	1,925
Inventories	13	623	608	555
Financial assets	9	625,079	639,704	593,495
Other assets	14	944	1,159	2,052
<b>Total current assets</b>		<b>706,976</b>	<b>732,029</b>	<b>682,158</b>
<b>Non-current assets</b>				
Financial assets	9	72,000	10,000	-
Property, plant and equipment	15	20,382	22,178	17,892
Intangible assets	16	874	527	775
Right-of-use assets	17	16,838	20,380	23,098
<b>Total non-current assets</b>		<b>110,094</b>	<b>53,085</b>	<b>41,765</b>
<b>Total assets</b>		<b>817,070</b>	<b>785,114</b>	<b>723,923</b>
<b>Current liabilities</b>				
Trade and other payables	18	7,172	6,311	6,366
Insurance contract liabilities	7	181,562	148,596	123,772
Lease liabilities	17	3,034	2,900	2,217
Other provisions	19	11,122	64,989	40,305
<b>Total current liabilities</b>		<b>202,890</b>	<b>222,796</b>	<b>172,660</b>
<b>Non-current liabilities</b>				
Lease liabilities	17	16,236	19,183	21,396
Other provisions	19	3,661	3,139	2,724
<b>Total non-current liabilities</b>		<b>19,897</b>	<b>22,322</b>	<b>24,120</b>
<b>Total liabilities</b>		<b>222,787</b>	<b>245,118</b>	<b>196,780</b>
<b>Net assets</b>		<b>594,283</b>	<b>539,996</b>	<b>527,143</b>
<b>Equity</b>				
Reserves	11	11,886	11,886	8,335
Retained earnings		582,397	528,110	518,808
<b>Total equity</b>		<b>594,283</b>	<b>539,996</b>	<b>527,143</b>

This statement should be read in conjunction with the notes to the financial statements.

The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has correspondingly restated the comparative period. The impacts of adoption are detailed in Note 3.

# Consolidated statement of changes in equity

For the year ended 30 June 2024

	Note	Asset Revaluation Reserve	Retained Earnings	Total
		\$'000	\$'000	\$'000
<b>Balance at 30 June 2022</b>		<b>8,335</b>	<b>458,817</b>	<b>467,152</b>
Impact on initial application of AASB 17 <sup>1</sup>		–	59,991	59,991
<b>Restated balance as at 1 July 2022</b>		<b>8,335</b>	<b>518,808</b>	<b>527,143</b>
Profit for the year		–	9,302	9,302
Other comprehensive income		3,551	–	3,551
Total comprehensive income for the year		3,551	9,302	12,853
<b>Restated balance at 30 June 2023</b>		<b>11,886</b>	<b>528,110</b>	<b>539,996</b>
Profit for the year		–	54,287	54,287
Other comprehensive income		–	–	–
Total comprehensive income for the year		–	54,287	54,287
<b>Balance at 30 June 2024</b>		<b>11,886</b>	<b>582,397</b>	<b>594,283</b>

This statement should be read in conjunction with the notes to the financial statements.

<sup>1</sup>The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has correspondingly restated the comparative period. The impacts of adoption are detailed in Note 3.



# Consolidated statement of cash flows

As at 30 June 2024

	Note	2024	2023
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Receipts of premiums		958,422	918,624
Claims and levies paid		(828,276)	(773,792)
Other receipts from customers		15,616	13,666
Payments to suppliers and employees		(93,320)	(87,808)
Payments to customers		(55,445)	(31,713)
Interest and distributions received		26,749	16,350
Finance costs paid		(721)	(874)
<b>Net cash inflow from operating activities</b>	8a	<b>23,025</b>	<b>54,453</b>
<b>Cash flows from investing activities</b>			
Movement in investments			
Proceeds		178,075	75,500
Purchases		(208,529)	(125,814)
Payments for intangibles		(908)	(117)
Payments for acquisitions		-	-
Payments for property, plant and equipment		(1,133)	(3,608)
Proceeds from sale of property, plant and equipment		-	57
<b>Net cash (outflow) from investing activities</b>		<b>(32,495)</b>	<b>(53,982)</b>
<b>Cash flows from financing activities</b>			
Payments for lease liabilities (principal element)		(2,811)	(2,470)
<b>Net cash (outflow) from financing activities</b>		<b>(2,811)</b>	<b>(2,470)</b>
Net change in cash and cash equivalents held		(12,281)	(1,999)
Cash and cash equivalents at beginning of financial year		82,132	84,131
<b>Cash and cash equivalents at end of financial year</b>	8	<b>69,851</b>	<b>82,132</b>

This statement should be read in conjunction with the notes to the financial statements.

# Notes to the financial statements

For the year ended 30 June 2024

## Section 1: Basis of preparation

### 1 Entity information

The general purpose financial statements are for the consolidated entity consisting of Teachers Federation Health Ltd ("the Group") and its controlled entities (together comprising "the Group"). The Group, trading as Teachers Health, is a company limited by guarantee, incorporated and domiciled in Australia. The Group is a not-for-profit entity for the purpose of preparing financial statements.

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

Teachers Federation Health Ltd  
ABN 86 097 030 414  
Level 4, Tower A  
260 Elizabeth Street  
SYDNEY NSW 2000

### 2 Basis of preparation

#### a) Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian dollars with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Comparative information has been reclassified where required for consistency with the current year's presentation.

#### b) Statement of compliance

The financial statements have been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

A statement of compliance with International Financial Reporting Standards cannot be made due to the Group applying not-for-profit sector specific requirements contained in Australian Accounting Standards.

The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023. The new standard is applied retrospectively, resulting in a restatement of the comparative periods. Further details on the impact of the adoption are outlined in Note 3.

The financial statements were authorised for issue by the Directors on 26th September 2024.

#### c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2024 and the results of all subsidiaries for the year then ended. The Group and its subsidiaries together are referred to in these financial statements as the Group. Further details of the Group's subsidiaries and other entities are set out in Note 20.

The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June 2024.

All transactions and balances between Group companies are eliminated on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

#### d) Income tax

The Group is a private health insurer within the meaning of the Private Health Insurance Act 2007 and is exempt from income tax assessment under section 50-30 of the Income Tax Assessment Act 1997. Teachers Healthcare Services Pty Ltd had no taxable profits in the current and prior year.

#### e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing

activities, which are disclosed as operating cash flows.

#### f) Segment reporting

The Group operates predominantly in one operating segment, being the provision of private health insurance in Australia.

### 3 Adoption of new and revised accounting standards

The Group has adopted all new and amended Australian Accounting Standards and interpretations issued by the AASB that are mandatory for the current reporting period. In these financial statements, the Group has applied AASB 17 – Insurance Contracts for the first time. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### 3.1 AASB 17 – Insurance Contracts

AASB 17 Insurance Contracts is applicable to reporting periods commencing 1 January 2023 and replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. The Group has restated comparative information for the financial year 2023, applying the transitional provisions to AASB 17 being full retrospective. The nature of the changes in the accounting policies can be summarised as follows:

##### Measurement models

The standard introduces three new measurement approaches for accounting for insurance contracts. These include the General Measurement Model (GMM), which is the default model to be applied to contracts, the Premium Allocation Approach (PAA), which may be applied to short term contracts and the Variable Fee Approach, to be applied to direct participating products.

AASB 17 permits the use of the simplified Premium Allocation Approach (PAA) where either:

- the contract boundary of each contract within the portfolio is one year or less; or
- the measurement of the liability for remaining coverage at inception of a contract is not materially different than if applying GMM, which involves estimating future cash flows and risks from existing policies and taking profit to account over

the policy period, adjusting the profit over the life of the contract when actual experience varies from expected. The PAA operates in a manner similar to the way private health insurance contracts are accounted for under AASB 1023 General Insurance Contracts.

Eligibility of contracts within the Groups' portfolio have been assessed as having a contract boundary within one year or less and the Group has chosen to adopt the simplified approach under the PAA in accordance with AASB 17.53(b).

#### Level of Aggregation

Under AASB 17, an entity shall identify portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and are managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together.

The Group has defined a single portfolio which covers all health insurance products in compliance with the requirements under AASB 17.14.

#### Onerous Contracts

As per AASB 17.18, the Group is applying the Premium Allocation Approach. The Group has assumed no health insurance contracts at initial recognition are onerous or have any significant possibility of becoming onerous, unless facts and circumstances indicate otherwise.

The Group has determined that 'facts and circumstances' that are relevant for onerous contract identification and testing are available in the Financial Conditions Report, in conjunction with its underlying forecasts produced for the Budget. If facts and circumstances are identified that indicate onerous contracts may exist, then these will be tested, and if confirmed, the Group will account for the losses on onerous contracts and reversal of the losses as part of the insurance service expenses.

#### Risk Adjustment

AASB 17 requires a risk adjustment to be used in the measurement of Insurance Contract Liabilities. Under the PAA, a risk adjustment is recognised on all Liability For Incurred Claims (LFIC) balances and Liability For Remaining Coverage (LFRC) balances for onerous contracts issued. Having evaluated the pricing philosophy and historical practice of utilising a confidence level technique, the Group has determined that the use of a confidence level technique to estimate the risk adjustment is appropriate.

#### Insurance Acquisition Cashflows

As the Group has applied the simplified approach being the Premium Allocation Approach and the contracts having a coverage period of one year or less, the Group has

the option to expense directly attributable acquisition costs as incurred, as opposed to deferring and amortising directly attributable acquisition costs over the coverage period of the insurance. The Group will expense insurance acquisition cash flows in line with the previous practice under AASB 1023.

#### Presentation and disclosure

AASB 17 specifies minimum amounts of information that need to be presented on the face of the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. For presentation in the Statement of Financial Position, the Group aggregates insurance contracts issued and presents separately:

- a) Portfolios of insurance contracts issued that are assets
- b) Portfolios of insurance contracts issued that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with AASB 17 requirements.

The line-item descriptions in the Statement of Profit or Loss and Other Comprehensive Income have been changed significantly compared with last year. Previously, the Group reported the following line items:

- a) Premium revenue
- b) Claims expense
- c) Risk Equalisation Special Account recovery / (expense)
- d) State levies
- e) Unexpired risk liability (increase) / decrease
- f) Other underwriting expense

Instead, AASB 17 requires separate presentation of:

- a) Insurance revenue
- b) Insurance Service Expense

The Group provides disaggregated qualitative and quantitative information about:

- a) Amounts recognised in its financial statements from insurance contracts
- b) Significant judgements, and changes in those judgements, when applying the standard

#### Transition

On transition date, 1 July 2022, the Group:

- a) Has identified, recognised and measured each group of insurance contracts as if AASB 17 had always applied.
- b) Derecognised any existing balances that would not exist had AASB 17 always applied. This specifically refers to the Deferred Claims Liability, that was unable to ever be recognised under AASB 17.
- c) Recognised any resulting net difference in equity.

## 4 Critical accounting estimates and judgement

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

The key areas in which critical estimates are applied are as described below:

#### a) Fair value of directly held properties

Directly held property is measured at fair value at last valuation date less subsequent depreciation. The Group engages independent registered valuers to value each of its directly held properties once every three years and reviews for indicators of impairment annually. Details of specific estimates and judgments used in deriving the valuation of property in use at balance date are detailed in Note 15.

#### b) Insurance contract liabilities

Insurance Contract Liabilities represent the rights and obligations arising from insurance contracts issued, and comprise the following components:

- i. The Liability for Remaining Coverage, being the obligation to provide future insurance services in relation to contracts in force at the balance date; and

The Liability for Remaining Coverage under the premium allocation approach is measured as premium received net of amounts recognised as insurance revenue for coverage that has been provided. The Liability for Remaining Coverage includes a loss component which depicts amounts recognised as onerous contracts.

Details of specific key estimates and judgments used in deriving the Liability for Remaining Coverage at balance date are detailed in Note 7.1.

- ii. The Liability for Incurred Claims, being the obligation to pay claims reported but not yet paid, outstanding claims liability and other incurred insurance service expenses such as claims handling costs.

Provision is made at the balance date for the Liability for Incurred Claims, which is measured as the expected value of the fulfilment cashflows, including an explicit adjustment for non-financial risk relating to claims incurred but not settled at the reporting date under insurance contracts issued by the Group.

The expected future payments include those in relation to claims incurred but not yet reported, together with allowances for Risk Equalisation Special Account (RESA) consequences.



# Notes to the financial statements (continued)

For the year ended 30 June 2024

Details of specific key estimates and judgments used in deriving the Liability for Incurred Claims at balance date are detailed in Note 7.2.

## c) Future cash flows

In estimating the future cash flows, the Group considers the range of possible outcomes in an unbiased way considering the amount and timing of cash flows and applying a probability weighting to each scenario. In determining possible scenarios, the Group uses all

reasonable and supportable information available without undue cost or effort – including information about past events, current conditions and forecasts.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, and other costs incurred in fulfilling contracts (including claims handling costs and certain administration costs).

## d) Risk adjustment

AASB 17 requires a risk adjustment to be used in the measurement of Insurance Contract Liabilities. Under the PAA, a risk adjustment is recognised on all Liability for Incurred Claims balances and Liability for Remaining Coverage balances for onerous contracts issued. Having evaluated the pricing philosophy and historical practice of utilising a confidence level technique, the Group has determined that the use of a confidence level technique to estimate the risk adjustment is appropriate.

## Section 2: Operating performance

5 Revenue	2024	2023
	\$'000	\$'000
<b>Insurance revenue</b>	<b>952,769</b>	<b>896,243</b>
<b>Other revenue</b>	<b>15,612</b>	<b>13,703</b>
Distribution income	6,719	8,849
Interest income	21,582	13,599
Changes in the fair value of investment in unit trusts	17,427	6,261
<b>Investment revenue / (expense)</b>	<b>45,728</b>	<b>28,709</b>
<b>Total revenue</b>	<b>1,014,109</b>	<b>938,655</b>

### Insurance revenue

Insurance revenue from contracts accounted for applying the PAA is recognised as income on a straight-line basis, based on expected contributions over the passage of time. It is recorded on an accrual's basis, reflecting contributions received, adjusted for the opening and closing contributions in advance. Contributions received in advance are recorded as Liabilities for Remaining Coverage and is included as part of Insurance Contract Liabilities.

### Other revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the services to the customers. Other revenue is recognised as the performance obligations of contracts are satisfied.

### Investment revenue

Investment revenue consists of distribution income, interest income and changes in the fair value of investments in unit trusts.

Interest income is calculated using a contractual interest rate determined at the start of the contractual period and may be repriced depending on the investment. All cash and cash equivalents and term deposits are measured at fair value through profit and loss. Distribution income is recognised when the right to receive the income is established. Changes in the fair value of investments in unit trusts are calculated as the difference between the fair value at sale, or balance date, and the fair value at the previous valuation point and are recognised in profit or loss.

All revenue is reported net of the amount of goods and services tax (GST).

## 6 Expenses

	2024	2023
	\$'000	\$'000
Employee expenses	54,805	48,983
Member give-back	(462)	55,229
Depreciation and amortisation	6,613	6,459
Consultancy and professional fees	10,836	2,584
Marketing and publicity costs	6,444	8,038
Information technology expenses	10,195	16,502
Commission costs	1,308	1,710
Occupancy costs	2,420	2,505
Cost of goods sold	1,850	1,965
Administration and other expenses	9,503	8,281
Finance costs	721	861
<b>Total expenses (excluding claims)</b>	<b>104,233</b>	<b>153,117</b>
Insurance service expenses – other insurance expense	89,074	83,673
Member give-back	(462)	55,229
Other expenses	14,900	13,354
Finance costs	721	861
<b>Total expenses (excluding claims)</b>	<b>104,233</b>	<b>153,117</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2024

## 7 Health insurance liabilities

The Group applies the PAA to simplify the measurement of insurance contracts. The Group does not discount or adjust future cash flows for the time value of money, as cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

### 7.1 Liability for remaining coverage

The Liability for Remaining Coverage under the Premium Allocation Approach is measured as premium received net of amounts recognised as insurance revenue for coverage that has been provided. Insurance acquisition cash flows are not amortised, they are recognised as expenses when they are incurred. The Liability for Remaining Coverage is not discounted because the time between providing each part of the services and the related premium due date is no more than a year.

The Liability for Remaining Coverage includes a loss component which depicts amounts recognised as onerous contracts. For groups of contracts that are onerous, the Liability for Remaining Coverage is determined by the fulfilment of cash flows.

### 7.2 Liability for incurred claims

The Liability for Incurred Claims includes the obligation to pay claims reported but not yet paid, outstanding claims liability and other incurred insurance service expenses such as claims handling costs. Claims are recorded as

an expense in the period in which the service has been provided to the member. The cost of claims represents the claims paid during the period adjusted for the movement in the outstanding claims liability.

Risk equalisation relates to amounts recoverable from or payable to the Risk Equalisation Special Account (RESA) which is administered by APRA. Risk equalisation is recognised in the Insurance service expense – incurred claims, based on the amounts received or paid during the year and the amount receivable or payable at the end of each reporting period.

The outstanding claims liability provides for claims received but not assessed and claims incurred but not received. The liability is based on an actuarial assessment taking into account historical patterns of claim incidence and processing. It is measured as the expected future payments arising from claims incurred at the end of each reporting period.

### 7.3 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment for the Liability for Remaining Coverage is the compensation for the non-financial risk that the Group bears that would lead to deviations from the target net margin. The risk adjustment of the Liability for Remaining Coverage is set to achieve its long-term net margin target deemed optimal

for the Group's business sustainability and resilience, which corresponds to achieving a level of sufficiency of at least 70%.

The risk adjustment for the Liability for Incurred Claims of 10.5% (2023: 9%) reflects the non-financial risk that the Group would rationally bear for the uncertainties that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment for the Liability for Incurred Claims using a confidence level (probability of sufficiency – PoS) approach at the 75th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the central estimate of future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

### 7.4 Claims handling costs

The Liability for Incurred Claims also allows for an estimate of the costs associated with achieving settlement of outstanding claims. The claims handling costs both directly and indirectly associated with individual claims and have been calculated with reference to the past experience of total claims handling costs as 2% (2023: 1.5%) of past claims payments.



## Roll-forward of the net liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

2024

					\$'000
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
Insurance contract liabilities as at 1 July 2023	51,956	1,556	88,112	6,972	148,596
<b>Net insurance contract liabilities as at 1 July 2023</b>	<b>51,956</b>	<b>1,556</b>	<b>88,112</b>	<b>6,972</b>	<b>148,596</b>
Insurance revenue	(952,769)	-	-	-	(952,769)
Insurance service expenses					
Incurred claims and other expenses	-	(1,556)	945,643	8,606	952,693
Losses on onerous contracts and reversals of those losses	-	7,086	-	-	7,086
Changes to liabilities for incurred claims	-	-	(8,356)	(6,760)	(15,116)
<b>Insurance service result</b>	<b>(952,769)</b>	<b>5,530</b>	<b>937,287</b>	<b>1,846</b>	<b>(8,106)</b>
<b>Total changes in the statement of comprehensive income</b>	<b>(952,769)</b>	<b>5,530</b>	<b>937,287</b>	<b>1,846</b>	<b>(8,106)</b>
<b>Cash flows</b>					
Premiums received	958,422	-	-	-	958,422
Claims and other expenses paid	-	-	(907,562)	-	(907,562)
<b>Total cash flows</b>	<b>958,422</b>	<b>-</b>	<b>(907,562)</b>	<b>-</b>	<b>50,860</b>
<b>Other movements</b>	<b>-</b>	<b>-</b>	<b>(9,788)</b>	<b>-</b>	<b>(9,788)</b>
<b>Net insurance contract liabilities as at 30 June 2024</b>	<b>57,609</b>	<b>7,086</b>	<b>108,049</b>	<b>8,818</b>	<b>181,562</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2024

	2023				
	\$'000				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
Insurance contract liabilities as at 1 July 2022	29,576	4,597	83,174	6,425	123,772
<b>Net insurance contract liabilities as at 1 July 2022</b>	<b>29,576</b>	<b>4,597</b>	<b>83,174</b>	<b>6,425</b>	<b>123,772</b>
Insurance revenue	(896,244)	-	-	-	(896,244)
Insurance service expenses					
Incurred claims and other expenses	-	(4,597)	869,027	6,820	871,250
Losses on onerous contracts and reversals of those losses	-	1,556	-	-	1,556
Changes to liabilities for incurred claims	-	-	(6,624)	(6,273)	(12,897)
<b>Insurance service result</b>	<b>(896,244)</b>	<b>(3,041)</b>	<b>862,403</b>	<b>547</b>	<b>(36,335)</b>
<b>Total changes in the statement of comprehensive income</b>	<b>(896,244)</b>	<b>(3,041)</b>	<b>862,403</b>	<b>547</b>	<b>(36,335)</b>
<b>Cash flows</b>					
Premiums received	918,624	-	-	-	918,624
Claims and other expenses paid	-	-	(848,799)	-	(848,799)
<b>Total cash flows</b>	<b>918,624</b>	<b>-</b>	<b>(847,799)</b>	<b>-</b>	<b>69,825</b>
<b>Other movements</b>	<b>-</b>	<b>-</b>	<b>(8,666)</b>	<b>-</b>	<b>(8,666)</b>
<b>Net insurance contract liabilities as at 30 June 2023</b>	<b>51,956</b>	<b>1,556</b>	<b>88,112</b>	<b>6,972</b>	<b>148,596</b>

## Section 3: Investment portfolio and capital

### 8 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash on hand	3	5
Cash at bank	69,848	82,127
<b>Total cash and cash equivalents</b>	<b>69,851</b>	<b>82,132</b>

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with less than three months to maturity.

#### (a) Reconciliation of cash flows from operating activities:

	2024	2023
	\$'000	\$'000
Profit for the year	54,287	9,302
– Depreciation and amortisation	6,613	6,459
– Net loss on disposal of property, plant and equipment	416	379
– Fair value losses/(gains) on investment trusts	(16,921)	(5,895)
Changes in operating assets and liabilities		
– (Increase) / decrease in trade and other receivables	(2,053)	(6,500)
– (Increase) / decrease in inventories	(13)	(54)
– Decrease in other assets	214	894
– Increase / (decrease) in trade and other payables	860	(55)
– Increase / (decrease) in other liabilities	(53,344)	25,099
– Increase / (decrease) in insurance contract liabilities	32,966	24,824
<b>Net cash inflow from operating activities</b>	<b>23,025</b>	<b>54,453</b>



# Notes to the financial statements (continued)

For the year ended 30 June 2024

## 9 Financial assets at fair value

	2024	2023
	\$'000	\$'000
Term deposits, at fair value	401,563	380,638
Fixed income trusts, at fair value	148,800	144,840
Equity trusts, at fair value	100,559	81,694
Property and infrastructure trusts, at fair value	46,157	42,532
<b>Total financial assets</b>	<b>697,079</b>	<b>649,704</b>

## Financial instruments

### (a) Financial risk management

The Group's business and activities are affected by a variety of financial risks, including market risk, liquidity risk and credit risk. A comprehensive risk management system is in place to manage financial and non-financial risks.

The Board has overall responsibility for the establishment and oversight of the risk management framework and is supported by

the Audit and Finance Committee, Risk and Compliance Committee and management in monitoring and managing the Group's financial risk exposures. The following policies have been established and are regularly reviewed to support effective financial risk management and to meet the Group's prudential regulatory obligations:

- Capital Management Plan;
- Pricing Philosophy;

- Liquidity Management Plan; and
- Investment Policy.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, investments in equity fixed income and property and infrastructure trusts, accounts receivable, payables and leases. The Group is not a direct party to any derivative instruments at 30 June 2024 (2023: nil).

The totals for each category of financial instrument, measured in accordance with AASB, are as follows:

	2024	2023
	\$'000	\$'000
<b>Financial assets</b>		
Cash and cash equivalents	69,851	82,132
Financial assets at fair value through profit or loss:		
– Equity trusts	100,559	81,694
– Fixed income trusts	148,800	144,840
– Property and infrastructure trusts	46,157	42,532
– Term deposits	401,563	380,638
Financial assets at amortised cost:		
– Trade and other receivables	10,479	8,426
<b>Total financial assets</b>	<b>777,409</b>	<b>740,262</b>

	2024	2023
	\$'000	\$'000
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
– Trade and other payables	7,172	6,311
– Lease liabilities	19,270	22,083
<b>Total financial liabilities</b>	<b>26,442</b>	<b>28,394</b>

### Classification

The Group classifies its financial assets into the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the nature of the financial assets and the contractual terms of the relevant cash flows.

### Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are recognised initially at fair value. Transaction costs related to instruments classified at fair value through profit or loss are expensed to profit or loss immediately. All other financial assets are recognised

initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, for financial assets measured at fair value through profit or loss, realised and unrealised gains or losses arising from changes in fair value are included in profit or loss in the period in which they arise.

### Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

### Financial assets at amortised cost

Financial assets at amortised cost are measured using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

### Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

# Notes to the financial statements (continued)

For the year ended 30 June 2024

## (b) Fair value measurement

### Fair value hierarchy

The tables below separate financial assets, and financial liabilities according to a hierarchy that reflects the significance of the inputs used in the determination of fair value. The fair value hierarchy has the following levels:

**Level 1** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group's financial assets and liabilities as identified above have carrying amounts that are reasonable approximations for fair values.

2024	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Assets at fair value through profit or loss</b>				
Term deposits	401,563	–	–	401,563
Equity trusts	–	100,559	–	100,559
Fixed income trusts	–	148,800	–	148,800
Property and infrastructure trusts	–	–	46,157	46,157
<b>Total assets at fair value through profit or loss</b>	<b>401,563</b>	<b>249,359</b>	<b>46,157</b>	<b>697,079</b>
<b>Assets at fair value through other comprehensive income (OCI)</b>				
Property in use	–	–	15,386	15,386
<b>Total assets at fair value through OCI</b>	<b>–</b>	<b>–</b>	<b>15,386</b>	<b>15,386</b>

2023	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Assets at fair value through profit or loss</b>				
Term deposits	380,638	–	–	380,638
Equity trusts	–	81,694	–	81,694
Fixed income trusts	–	144,840	–	144,840
Property and infrastructure trusts	–	–	42,532	42,532
<b>Total assets at fair value through profit or loss</b>	<b>380,638</b>	<b>226,534</b>	<b>42,532</b>	<b>649,704</b>
<b>Assets at fair value through other comprehensive income (OCI)</b>				
Property in use	–	–	15,700	15,700
<b>Total assets at fair value through OCI</b>	<b>–</b>	<b>–</b>	<b>15,700</b>	<b>15,700</b>

Level 3 investments consist of investments in property and infrastructure trusts and property in use.



Change in level 3 assets	Property in use	Property and infrastructure trusts
Change in level 3 assets	\$'000	\$'000
<b>Balance as at 30 June 2022</b>	<b>12,408</b>	<b>18,957</b>
Change in valuation of property in use for the period:		
– Additions	–	21,630
– Depreciation expenses	(259)	–
– Property in use valuation that will not be reclassified subsequently to profit and loss	3,551	–
– Change in fair value of property and infrastructure trusts	–	1,945
<b>Balance as at 30 June 2023</b>	<b>15,700</b>	<b>42,532</b>
Change in valuation of property in use for the period:		
– Additions	–	3,000
– Depreciation expense	(314)	–
– Property in use valuation that will not be reclassified subsequently to profit and loss	–	–
– Change in fair value of property and infrastructure trusts	–	625
<b>Balance as at 30 June 2024</b>	<b>15,386</b>	<b>46,157</b>

The Group holds land and buildings at fair value of \$15.4 million (2023: \$15.7 million) classified as Level 3. The Level 3 fair value of land and buildings has been derived using the market value approach. The key inputs under this approach are the current observable prices in an active market for similar properties in the same location and condition, and the net market rental income as at valuation date, capitalised at an appropriate market yield.

The Group holds investments in real estate and infrastructure funds of \$46.2 million (2023: \$42.5 million). The valuations of these trusts are based on unit prices provided by the fund administrator of the trusts and form the basis of fair value. The assets of the trusts are valued by the Fund Administrator and the NAVs of the trusts are calculated in accordance with the constitutions of the trusts. The fund administrator values the trust assets in accordance with standard market practice

and market prices are generally sourced from third parties.

Where no independent pricing source is available to value an asset, the investment manager will liaise with the fund administrator to determine the value of the asset in accordance with acceptable industry standards.

## 10 Financial and insurance risk management

### (a) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to continue to provide benefits for stakeholders, whilst maintaining an optimal capital structure.

The Group must satisfy APRA Prudential Standards HPS 110 (Capital Adequacy), HPS 112 (Measurement of Capital) and related Prudential Standards under the Private Health Insurance (Prudential Supervision) Act.

In brief, the intention of these standards is to ensure that the health benefits fund of a private health insurer has sufficient, appropriate assets available to be able to demonstrate that it will be able to meet future policyholder and creditor obligations under a range of adverse circumstances.

The Group's Board-endorsed financial risk management policies are designed to ensure compliance with Capital Adequacy requirements and include internal targets and triggers to govern monitoring and management actions. The fund fully met its capital requirements at all times during the financial year.

The Group's current capital base, as defined in HPS 110 and Prescribed Capital Amount (PCA) as defined in HPS 112 is as follows:

Capital Base (\$'000)	2024	Prescribed Capital Amount (\$'000)	2024
<b>Net Assets</b>	<b>594,283</b>	Insurance Risk Charge	131,418
Regulatory Adjustments	7,676	Asset Risk Charge	76,830
<b>Common Equity Tier 1 Capital</b>	<b>601,959</b>	Operational Risk Charge	19,055
Additional Tier 1 & 2 Capital	–	Aggregation Benefit	(43,286)
<b>Capital Base</b>	<b>601,959</b>	<b>Prescribed Capital Amount</b>	<b>184,017</b>
		<b>Capital Adequacy Multiple</b>	<b>3.3</b>

### (b) Market risks

The Group's overall investment strategy seeks to assist it in meeting its financial targets, while minimising potential adverse effects on financial performance. During the current and previous financial year, the Group's financial

assets were exposed to a range of market risks, most notably interest rate risk and equity price risk.

#### Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at

reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. No disclosure has been made below in relation to financial liabilities as the Group does not have material interest rate risk exposure on its financial liabilities as at 30 June 2024.

# Notes to the financial statements (continued)

For the year ended 30 June 2024

	Weighted average effective interest rate	Maturing within 1 year	Fixed interest rate maturing 1 to 5 years	Fixed interest rate maturing greater than 5 years	Total
2024	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and cash equivalents	3.31%	69,851	–	–	69,851
Term deposits	5.38%	329,563	72,000	–	401,563
Fixed income trusts	5.31%	148,800	–	–	148,800
<b>Total interest-bearing financial assets</b>		<b>548,214</b>	<b>72,000</b>	<b>–</b>	<b>620,214</b>
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3.41%	82,132	–	–	82,132
Term deposits	4.35%	370,638	10,000	–	380,638
Fixed income trusts	5.09%	144,840	–	–	144,840
<b>Total interest-bearing financial assets</b>		<b>597,610</b>	<b>10,000</b>	<b>–</b>	<b>607,610</b>

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit or loss and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables

	2024		2023	
	+3.00%	–3.00%	+3.00%	–3.00%
	\$'000	\$'000	\$'000	\$'000
<b>Interest rate movement</b>				
Impact on net result for the year	6,560	(6,560)	6,809	(6,809)
Impact on equity	6,560	(6,560)	6,809	(6,809)

## Equity price risk

The Group holds investments in equity trusts. These investments are held for long-term strategic purposes rather than trading.

The following table illustrates sensitivities to the Group's exposures to changes in equity prices. The table indicates the impact on how profit or loss and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	2024		2023	
	+5.00%	–5.00%	+5.00%	–5.00%
	\$'000	\$'000	\$'000	\$'000
<b>Equity price movement</b>				
Impact on net result for the year	5,028	(5,028)	4,085	(4,085)
Impact on equity	5,028	(5,028)	4,085	(4,085)

## Property and infrastructure assets price risk

The Group holds investments in real estate and infrastructure trusts. These investments are held for long-term strategic purposes rather than trading.

The following table illustrates sensitivities to the Group's exposures to changes in real asset prices. The table indicates the impact on how profit or loss and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	2024		2023	
	+5.00%	-5.00%	+5.00%	-5.00%
	\$'000	\$'000	\$'000	\$'000
<b>Real asset price movement</b>				
Impact on net result for the year	2,308	(2,308)	2,127	(2,127)
Impact on equity	2,308	(2,308)	2,127	(2,127)

### Other market risks

The Group has exposure to foreign currency risk through investments in unhedged global equities. This exposure is monitored against the investment policy. The Group has no material risk to foreign currency risk at balance date.

The Group has no material exposure to commodity price risk. This is where the Group's financial performance will be adversely affected by fluctuations in the prices of commodities.

### (c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and

- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that financing facilities will be rolled forward.

The tables below reflect an undiscounted contractual maturity analysis for financial assets and liabilities.

Maturity analysis	Due < 1yr	Due 1 – 5yrs	No fixed date	Total
2024	\$'000	\$'000	\$'000	\$'000
<b>Financial assets — cash flows realisable</b>				
Cash and cash equivalents	69,851	-	-	69,851
Investment income receivable	9,727	-	-	9,727
Term deposits	329,563	72,000	-	401,563
Equity trusts	100,559	-	-	100,559
Fixed income trusts	148,800	-	-	148,800
Property and infrastructure trusts	-	46,157	-	46,157
Trade and other receivables	752	-	-	752
<b>Total anticipated inflows</b>	<b>659,252</b>	<b>118,157</b>	<b>-</b>	<b>777,409</b>
<b>Financial liabilities — cash flows realisable</b>				
Trade and other payables	7,172	-	-	7,172
Lease liabilities	3,034	16,236	-	19,270
<b>Total anticipated outflows</b>	<b>10,206</b>	<b>16,236</b>	<b>-</b>	<b>26,442</b>
<b>Net inflow / (outflow) on financial instruments</b>	<b>649,046</b>	<b>101,921</b>	<b>-</b>	<b>750,967</b>



# Notes to the financial statements (continued)

For the year ended 30 June 2024

Maturity analysis	Due < 1yr	Due 1 – 5yrs	No fixed date	Total
2023 restated	\$'000	\$'000	\$'000	\$'000
<b>Financial assets — cash flows realisable</b>				
Cash and cash equivalents	82,132	–	–	82,132
Investment income receivable	7,669	–	–	7,669
Term deposits	370,638	10,000	–	380,638
Equity trusts	81,694	–	–	81,694
Fixed income trusts	144,840	–	–	144,840
Property and infrastructure trusts	–	42,532	–	42,532
Trade and other receivables	757	–	–	757
<b>Total anticipated inflows</b>	<b>687,730</b>	<b>52,532</b>	<b>–</b>	<b>740,262</b>
<b>Financial liabilities — cash flows realisable</b>				
Trade and other payables	6,311	–	–	6,311
Lease liabilities	2,900	19,183	–	22,083
<b>Total anticipated outflows</b>	<b>49,211</b>	<b>19,183</b>	<b>–</b>	<b>28,394</b>
<b>Net inflow / (outflow) on financial instruments</b>	<b>678,519</b>	<b>33,349</b>	<b>–</b>	<b>711,868</b>

## (d) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Group.

Management monitors credit risk by actively assessing the rating quality and liquidity of counterparties. Standard & Poor's ratings of publicly rated assets are used and mapped to the corresponding grade for APRA reporting purposes. Below is an analysis of the credit risk profile of financial assets at balance date.

	APRA grading					
	1	2	3	4	Unrated	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	69,848	–	–	–	3	69,851
Investment income receivable	6,791	2,936	–	–	–	9,727
Term deposits	247,563	154,000	–	–	–	401,563
Equity trusts	–	–	–	–	100,559	100,559
Fixed income trusts	78,748	38,883	9,746	608	20,815	148,800
Real assets trusts	509	44	–	–	45,604	46,157
Trade and other receivables	–	–	–	–	752	752
<b>Total</b>	<b>403,459</b>	<b>195,863</b>	<b>9,746</b>	<b>608</b>	<b>167,733</b>	<b>777,409</b>
% of total	51.90%	25.19%	1.25%	0.08%	21.58%	

## APRA grading

	1	2	3	4	Unrated	Total
2023 restated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	82,127	-	-	-	5	82,132
Investment income receivable	5,582	2,087	-	-	-	7,669
Term deposits	245,638	135,000	-	-	-	380,638
Equity trusts	-	2,078	-	-	79,616	81,694
Fixed income trusts	62,958	62,289	14,905	753	3,935	144,840
Real assets trusts	769	457	-	-	41,306	42,532
Trade and other receivables	-	-	-	-	757	757
<b>Total</b>	<b>397,074</b>	<b>201,911</b>	<b>14,905</b>	<b>753</b>	<b>125,619</b>	<b>740,262</b>
% of total	53.64%	27.28%	2.01%	0.10%	16.97%	

### Insurance risk

The Group's health insurance primary activities involve the insurance risk of financial loss arising from inadequate product design and development, including inappropriate pricing, reserving or claims assessment.

Because of the specific requirements of health insurance community rating, risks must be accepted at a standard premium rate that is not individually risk rated. The Group is also required to participate in an industry-wide arrangement to effectively provide reinsurance support so the industry as a whole shares the hospital cost of high-risk groups (the Risk Equalisation Special Account). Risk equalisation provides some protection to high-cost claims however it exposes the Group to claims from other health insurers.

In addition, to mitigate the risk exposure, the Group has a strict claim review policy to assess all new and ongoing claims, with claims assesses all adequately trained and abiding by their delegated authority limits. Investigations into possible fraudulent claims have been established to reduce the risk exposure to the Group.

While the Group has the ability to determine premium rates, in line with the pricing philosophy, and benefits payable within certain parameters, there is limited ability to price for risk due to industry restrictions.

#### (a) Insurance sensitivities

The Liability for Incurred Claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation.

The Liability of Incurred Claims includes an allowance made for net risk equalisation transfers in respect to the outstanding claims and the expenses required to administer the outstanding claims. The risk equalisation recovery allowance is a loading of 6.12% (2023: 2.37%) on the hospital and medical outstanding incurred claims. The claims handling expense allowance is 2.0% (2023: 1.5%) of the outstanding claims liability.

The following sensitivity analysis shows the impact on liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are not linear.

	2024			2023	
	Change in assumptions	Impact on profit (or loss) (\$'000)	Impact on equity (\$'000)	Impact on profit (or loss) (\$'000)	Impact on equity (\$'000)
<b>Claims handling expense</b>	+0.5%	(455)	(455)	(416)	(416)
<b>Risk equalisation</b>	+2%	(1,744)	(1,744)	(1,547)	(1,547)
<b>Risk adjustment</b>	+1%	(840)	(840)	(775)	(775)
<b>Claims handling expense</b>	-0.5%	455	455	416	416
<b>Risk equalisation</b>	-2%	1,744	1,744	1,547	1,547
<b>Risk adjustment</b>	-1%	840	840	775	775

# Notes to the financial statements (continued)

For the year ended 30 June 2024

## (b) Maturity profile

The following table summarises the maturity profile of portfolios of insurance contracts issued that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

			2024
			\$'000
Year	Up to 1 Year	1 – 2 years	Total
Health Insurance	105,835	2,214	108,049

			2023
			\$'000
Year	Up to 1 Year	1 – 2 years	Total
Health Insurance	86,292	1,820	88,112

## (c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in paying its claims as and when they fall due. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing a diverse range of financial assets;
- having a board approved liquidity management plan
- adhering to minimum liquidity requirements; and
- comparing the cash out flow of insurance liabilities with the maturity profile of financial assets.



## 11 Reserves

### Asset revaluation reserve

The asset revaluation reserve records the cumulative revaluations of non-current assets. The current balance of this reserve has been recognised as a result of the revaluation of properties in use since acquisition.

#### Asset revaluation reserve movement

	\$'000
<b>Balance at 30 June 2022</b>	<b>8,335</b>
Revaluation of property in use	3,551
<b>Balance at 30 June 2023</b>	<b>11,886</b>
Revaluation of property in use	-
<b>Balance at 30 June 2024</b>	<b>11,886</b>

## Section 4: Other assets and liabilities

### 12 Trade and other receivables

	2024	2023 restated
	\$'000	\$'000
Trade receivables	91	78
Investment income receivable	9,727	7,669
Other receivables	661	679
<b>Total trade and other receivables</b>	<b>10,479</b>	<b>8,426</b>

#### Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. The Expected Credit Loss simplified approach under AASB 9 has been applied. Unless otherwise stated, all receivables are expected to be settled within 30-60 days.

### 13 Inventories

Inventories are measured at the lower of cost and net realisable value and relate to the Group's health centre businesses. Cost is determined on the basis of full purchase price.

### 14 Other assets

	2024	2023
	\$'000	\$'000
Prepayments	942	1,159
Other	2	-
<b>Total other assets</b>	<b>944</b>	<b>1,159</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2024

## 15 Property, plant and equipment

	Note	2024	2023
		\$'000	\$'000
<b>Property in use</b>			
At fair value	(a)	15,700	15,700
Accumulated depreciation		(314)	–
<b>Total property in use</b>		<b>15,386</b>	<b>15,700</b>
<b>Leasehold improvements</b>			
At cost		15,149	15,245
Accumulated depreciation		(11,161)	(10,672)
<b>Total leasehold improvements</b>		<b>3,988</b>	<b>4,573</b>
<b>Plant &amp; equipment</b>			
At cost		9,836	9,840
Accumulated depreciation		(8,828)	(7,935)
<b>Total plant &amp; equipment</b>		<b>1,008</b>	<b>1,905</b>
<b>Total property, plant and equipment</b>		<b>20,382</b>	<b>22,178</b>

(a) The fair value of property at balance date was estimated using observable data on recent transactions and rental yields for similar properties. Property in use was last revalued by the Directors as at 30 June 2023 using the results of independent valuations conducted in June 2023. This is in line with the Director's approach to value property every three years or when it is likely that there has been a material movement in the value of the assets.

### Movements in carrying amounts

	Property in use	Leasehold improvements	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 30 June 2022</b>	<b>12,408</b>	<b>3,775</b>	<b>1,709</b>	<b>17,892</b>
Additions	–	2,426	1,182	3,608
Disposals	–	(338)	(40)	(378)
Depreciation expense	(259)	(1,290)	(946)	(2,495)
Revaluation	3,551	–	–	3,551
<b>Carrying amount at 30 June 2023</b>	<b>15,700</b>	<b>4,573</b>	<b>1,905</b>	<b>22,178</b>
Additions	–	6	1,127	1,133
Disposals	–	(102)	(3)	(105)
Depreciation expense	(314)	(489)	(2,021)	(2,824)
Revaluation	–	–	–	–
<b>Carrying amount at 30 June 2024</b>	<b>15,386</b>	<b>3,988</b>	<b>1,008</b>	<b>20,382</b>

## Property, plant and equipment

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

### Property

Property in use is shown at its fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Valuations are performed every three years or when it is likely there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of properties in use are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same class of asset are charged against the related revaluation reserve directly in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

### Leasehold improvements, plant and equipment

Leasehold improvements and plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

### Depreciation

Depreciation is calculated on a straight-line basis to write off the cost or revalued amount of each item of property, plant and equipment over its expected useful life to the Group, commencing from the time the asset is ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Property	2%
Leasehold improvements	15–25%
Plant and equipment	20–33%

### Impairment of non-financial assets

At each balance date, the Group reviews the carrying values 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 value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.



# Notes to the financial statements (continued)

For the year ended 30 June 2024

## 16 Intangible assets

	2024	2023
	\$'000	\$'000
<b>Computer software</b>		
Cost	3,360	6,603
Accumulated amortisation	(2,706)	(6,387)
<b>Net carrying value</b>	<b>654</b>	<b>216</b>
<b>Other intangibles</b>		
Cost	455	455
Accumulated amortisation	(235)	(144)
<b>Net carrying value</b>	<b>220</b>	<b>311</b>
<b>Total intangible assets</b>	<b>874</b>	<b>527</b>

## Movements in carrying amounts

	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000
<b>Carrying amount at 30 June 2022</b>	<b>373</b>	<b>402</b>	<b>775</b>
Additions	117	-	117
Amortisation expense	(274)	(91)	(365)
<b>Carrying amount at 30 June 2023</b>	<b>216</b>	<b>311</b>	<b>527</b>
Additions	908	-	908
Disposals	(311)	-	(311)
Amortisation expense	(159)	(91)	(250)
<b>Carrying amount at 30 June 2024</b>	<b>654</b>	<b>220</b>	<b>874</b>

### Computer software

Computer software has a finite useful life and is carried at cost, less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis to allocate the cost of the software over their useful lives, being three years. The remaining useful life of software assets is regularly reviewed.

Software as a Service (SaaS) arrangements are service contracts providing the Group with rights to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud

provider's application software, are generally recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances, modifies or creates additional capability to existing on-premise systems or applications controlled by the Group and meets the recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

### Impairment of intangible assets

At each balance date, the Group 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 value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

## 17 Leases

This note provides information for leases where the Group is a lessee. The Group leases office and retail space under non-cancellable leases agreements. The leases have varying terms, and renewal rights. Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities in the Consolidated statement of financial position and the movements during the period

	2024	2023
	\$'000	\$'000
<b>Right-of-use assets</b>		
Property	16,838	20,380
<b>Lease liabilities</b>		
Current	3,034	2,900
Non-current	16,236	19,183
<b>Total lease liabilities</b>	<b>19,270</b>	<b>22,083</b>

## Movements in carrying amounts

	Right-of-use assets	Lease liabilities
	\$'000	\$'000
<b>Carrying amount at 30 June 2022</b>	<b>23,098</b>	<b>23,613</b>
Additions	941	941
Depreciation expense	(3,659)	-
Interest expense	-	924
Payments	-	(3,395)
<b>Carrying amount at 30 June 2023</b>	<b>20,380</b>	<b>22,083</b>
Additions	-	-
Disposals	(2)	(2)
Depreciation expense	(3,540)	-
Interest expense	-	785
Payments	-	(3,596)
<b>Carrying amount at 30 June 2024</b>	<b>16,838</b>	<b>19,270</b>

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease

incentives received. The right-of-use asset is subsequently measured under the cost model and depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is reviewed for indicators of impairment and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification

that is not accounted for as a separate lease, there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# Notes to the financial statements (continued)

For the year ended 30 June 2024

## 18 Trade and other payables

	2024	2023 restated
	\$'000	\$'000
Trade and other payables	7,172	6,311
<b>Total trade and other payables</b>	<b>7,172</b>	<b>6,311</b>

### Trade creditors, claims payable and other payables

Trade creditors and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables and generally settled within three months, are unsecured and undiscounted.

## 19 Other provisions

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Employee benefits	11,122	9,544
Member give-back payable	–	55,445
<b>Total current provisions</b>	<b>11,122</b>	<b>64,989</b>
<b>Non-current</b>		
Employee benefits	2,572	2,050
Make good on leased premises	1,089	1,089
<b>Total non-current provisions</b>	<b>3,661</b>	<b>3,139</b>



## Movements in other provisions

	Employee benefits	Member giveback	Make good on leased premises	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2022</b>	<b>10,222</b>	<b>31,713</b>	<b>1,093</b>	<b>43,028</b>
Amounts used during the year	(4,332)	(31,713)	(57)	(36,102)
Amounts raised during the year	5,704	55,445	53	61,202
<b>Balance at 30 June 2023</b>	<b>11,594</b>	<b>55,445</b>	<b>1,089</b>	<b>68,128</b>
Amounts used during the year	(4,873)	(55,445)	–	(60,318)
Amounts raised during the year	6,973	–	–	6,973
<b>Balance at 30 June 2024</b>	<b>13,694</b>	<b>–</b>	<b>1,089</b>	<b>14,783</b>

## Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

### Member give-back payable

Since the outbreak of the COVID-19 pandemic, the Group has maintained that it will not profit from the pandemic. The Group extended its COVID-19 package of member support with the announcement in June 2023 of a direct payment to eligible policyholders, with payments to be made in August 2023.

The payments will be funded from permanent claims savings the Group estimates have resulted from COVID-19 restrictions and disruption to health care services. The amount payable has been recognised as a liability at reporting date and as a claims expense, with an allowance for the communication and administration of the payments recognised within other underwriting expenses.

### Make good on leased premises

In accordance with certain lease agreements, the Group is obligated to restore leased premises to their original condition at the end of the lease term. A provision has been made to provide for this. This provision is expected

to be released against payments made to return premises to their original condition on termination of rental lease and vacation of premises.

### Employee benefits

#### Short-term employee benefits

Short-term employee benefits include wages and salaries, non-monetary benefits, personal leave and annual leave. Short-term employee benefits expected to be settled within twelve months are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

#### Other long-term employee benefits

Long-term employee benefits include obligations in respect of long service leave, which is the amount of future benefit that employees have earned in return for their services in the current and prior periods. The liability for long service leave is measured at the present value of the expected future payments to be made to employees.

The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future

cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if it does not have an unconditional right to defer settlement for at least twelve months after the reporting period, irrespective of when the actual settlement is expected to take place.

#### Post-employment benefits plans

The Group provides post-employment benefits through employee superannuation plans.

#### Employee superannuation plans

The Group pays fixed contributions into independent entities in relation to superannuation and insurance for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

# Notes to the financial statements (continued)

For the year ended 30 June 2024

## Section 5: Other disclosures

### 20 Group structure

The parent entity within the Group is Teachers Federation Health Ltd.

Name of entity	Country of incorporation and principal place of business	Principal activity	Group's proportionate share of ownership	
			2024	2023
Teachers Federation Health Foundation Pty Ltd <sup>(1)</sup>	Australia	Trustee for foundation, funding and promoting medical research	100%	100%
Teachers Healthcare Services Pty Ltd <sup>(2)</sup>	Australia	Broader health cover services of care coordination	100%	100%

1. This trustee entity did not actively trade during the year and hence no impact on the consolidated statement of profit or loss and other comprehensive income. The activities of Teachers Health Foundation do not form part of the consolidated Group.

2. On the 3rd April 2024, the Board approved the transfer of Teachers Healthcare Services Pty Ltd's business activities to Teachers Federation Health Ltd. As a result of this, Teachers Healthcare Services Pty Ltd was deregistered on the 3rd July 2024

#### Parent entity information

Information relating to Teachers Federation Health Ltd:

	2024	2023 restated
	\$'000	\$'000
<b>Statement of financial position</b>		
Current assets	706,976	732,433
<b>Total assets</b>	<b>817,070</b>	<b>785,512</b>
Current liabilities	202,890	223,871
<b>Total liabilities</b>	<b>222,787</b>	<b>245,049</b>
Reserves	11,886	11,886
Retained earnings	582,397	528,577
<b>Total equity</b>	<b>594,283</b>	<b>540,463</b>
<b>Statement of profit or loss or other comprehensive income</b>		
Profit for the year	54,733	11,001
Other comprehensive income	-	3,551
<b>Total comprehensive income</b>	<b>54,733</b>	<b>14,552</b>

## 21 Related party transactions

The key management personnel compensation included within employee expenses is:

	2024	2023
	\$	\$
<b>Short-term employee benefits</b>		
Salary and fees	4,400,721	4,120,594
Other benefits	342,043	345,882
	<b>4,742,764</b>	<b>4,466,476</b>
<b>Post-employment benefits</b>		
Superannuation	259,552	255,775
<b>Total key management personnel compensation</b>	<b>5,002,316</b>	<b>4,722,251</b>

Key management personnel are those who have the responsibility for planning, directing and controlling the activities of the Group and consist of the Directors, CEO and direct reports

## 22 Auditor's remuneration

	2024	2023
	\$	\$
<b>Fees paid or payable to Ernst &amp; Young as auditor of the Group:</b>		
– Audit of annual financial reports	200,860	175,960
– Audit or review of other regulatory requirements	115,910	90,813
<b>Total auditor's remuneration</b>	<b>316,770</b>	<b>266,773</b>

## 23 Commitments and contingent liabilities

The Group had contingent liabilities at 30 June 2024 in respect of bank guarantees backed by term deposits, issued in respect of premises leases of \$2,562,674 (2023: \$2,137,999).

## 24 Significant events after the reporting period

On the 3rd July 2024, Teachers Healthcare Services Pty Ltd was deregistered, following the Board's approval on the 3rd April 2024 to transfer the business activities of this company to Teachers Federation Health Ltd. Other than that, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 25 New accounting standards for application in future periods

On the 14th June 2024, the Australian Accounting Standards Board (AASB) issued AASB 18 Presentation and Disclosure in Financial Statements, a new financial statements presentation standard to replace AASB 101 Presentation of Financial Statements. The effective date of AASB 18 is for annual periods beginning on or after 1 January 2027. In the first year, for the immediately preceding period, entities must also present a reconciliation for each line in the statement of profit or loss between amounts previously presented applying AASB 101 and restated amounts applying AASB 18.

AASB 18 requires an entity to classify income and expenses within its statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. These categories are complemented by the requirement to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. The Group is still in the process of evaluating the impact.

# Consolidated entity disclosure statement

## Teachers Federation Health Ltd Consolidated entity disclosure statement as at 30 June 2024

The general-purpose financial statements presented in this annual report are for the consolidated entity consisting of Teachers Federation Health Ltd, the parent entity, and its wholly owned subsidiaries. The entities that make up the consolidated entity are documented below.

Name of entity	Country of incorporation and principal place of business	Entity type	Group's proportionate share of ownership	Tax residency Australian or foreign
Teachers Federation Health Ltd	Australia	Body Corporate	N/A	Australian
Teachers Federation Health Foundation Pty Ltd	Australia	Body Corporate	100%	Australian
Teachers Healthcare Services Pty Ltd (1)	Australia	Body Corporate	100%	Australian

- <sup>(1)</sup> On the 3rd April 2024, the Board approved the transfer of Teachers Healthcare Services Pty Ltd's business activities to Teachers Federation Health Ltd. As a result of this, Teachers Healthcare Services Pty Ltd was deregistered on the 3rd July 2024. Prior to this date, Teachers Federation Health Ltd owned 100% of the shares in Teachers Healthcare Services Pty Ltd.



# Director's declaration

The Directors of Teachers Federation Health Ltd declare that:

1. The consolidated financial statements and notes, as set out on pages 42 to 74, are in accordance with the Corporations Act 2001 and:
  - i. comply with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - ii. give a true and fair view of the Group's financial position as at 30 June 2024 and of the performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that Teachers Federation Health Ltd will be able to pay its debts as and when they become due and payable.
3. In the Directors' opinion, the consolidated entity disclosure statement required by subsection 3A of section 295A of the Corporations Act 2001, is true and correct.

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



**M O'Halloran, AM**  
Director

Dated this 26th day of September 2024  
Sydney, NSW

# Independent Auditor's Report



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## Independent Auditor's Report to the Members of Teachers Federation Health Ltd

### Opinion

We have audited the financial report of Teachers Federation Health Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a) Giving a true and fair view of the consolidated financial position as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards 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 Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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.

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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 (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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 judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

# Independent Auditor's Report



Page 3

- ▶ 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 Group'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 Group 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 our audit.

A handwritten signature in black ink, appearing to read 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Louise Burns'.

Louise Burns  
Partner  
Sydney  
26 September 2024

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