

Teachers Health Group Annual Report 2024–2025



TOGETHER. BETTER.

**TEACHERS
HEALTH** 

**NURSES
MIDWIVES
HEALTH** 

**UNI
HEALTH** 



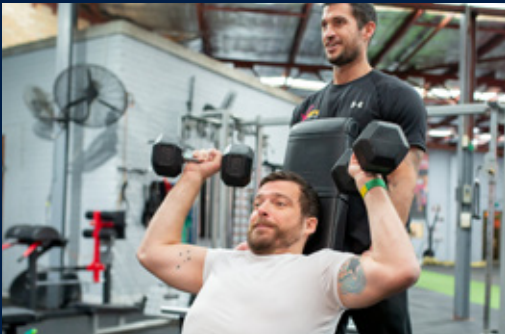
Acknowledgement of Country

Teachers Health Group 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.

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Note 1: The term member used throughout this document refers to policyholder and is distinguished from a Company Member.
Note 2: Teachers Health refers to Teachers Federation Health Limited ABN 86 097 030 414.
Note 3: Teachers Health Group refers to Teachers Health, Nurses & Midwives Health and UniHealth.



A message from our Chair

Maree O’Halloran, AM

It’s been a momentous twelve months since our last report. Teachers Health Group continued to mark its 70–year anniversary, celebrating and sharing some of our incredible founding member stories in social media. The legacies of those inspiring teachers will live on with us as well as with the many students they have so positively influenced over the years.

We have again delivered significant value to our members, even in the face of intense industry competition and broader social and economic challenges. Our business plan is focused on long–term sustainability and organisational resilience, supported by steady growth and solid financial performance. It has positioned us to adapt effectively to continue to meet the evolving needs of our members.

And as we reached the end of the financial year, we saw the culmination of major efforts as we worked towards the finalisation of our merger with Queensland Teachers Union Health (TUH) that became effective on 1 July 2025, bringing even greater strength and stability to our member–first approach. Together, we now have a combined experience of more than 120 years, cover almost 500,000 lives and are the largest union–based health fund in Australia.

Together. Better.

Bringing our two health funds together in this strategic merger supports our growth and sustainability plans and makes perfect sense on many fronts. It will unite the only two health funds in Australia focused on teachers, educators, nurses and midwives and will strengthen our presence and relevance with these communities.

Our combined size will enable us to continue to develop and deliver the benefits and support our members appreciate in an ever–changing private health insurance market.

With an enhanced national presence and strong brand positioning, we will cement our position as Australia’s sixth–largest health fund, and the largest not–for–profit

industry–based fund. Together, we will nurture and expand our strong connections with stakeholder unions, while shaping and enhancing our identity as a leading voice in Australia’s health insurance industry.

The merger will provide members access to a larger network—with partners and Health Centres located around the country, making it easier to find support when and where it’s needed.

Together, we can deliver better coverage and products to match our members’ evolving needs.

“

Our enduring relationships with union partners and other stakeholders from across these communities have been instrumental in delivering meaningful outcomes for our members.

”

Environmental, Social and Governance (ESG) priorities

Environmental, Social and Governance (ESG) priorities are a foundation of our mission to become an even better business.

As part of our social priorities, we’ve continued to champion diversity and inclusion across the organisation, hosting an accessibility and disability inclusion event for our employees, featuring renowned Paralympian and Teachers Health ambassador, Kurt Fearnley.

We’ve been working on several initiatives to improve accessibility and access, both physically and virtually through technology, to ensure all our members and employees feel included, welcome and able to participate fully.

I am proud that we launched our Innovate Reconciliation Action Plan (RAP) in FY25. It’s a key part of our commitment in support of reconciliation and meaningful collaboration and engagement with Aboriginal and Torres Strait Islander peoples, cultures and Country.

Our Innovate RAP builds on the experiences and learnings achieved through our Reflect RAP and is a continuation of our reconciliation journey. The framework enables us to turn our good intentions into actions working within our sphere of influence so that we are contributing to the national reconciliation movement in a meaningful way.

We are also continuing to focus our efforts on tackling climate change and reducing our footprint, with initiatives targeting energy, food waste and recycling. For more than five years, our local communities have been recycling oral and optical health items in our Health Centre recycling bins. In FY25, across our six Health Centres, our members and patients recycled 62kg of used oral care products and donated 1,702 glasses frames to countries in need.

The Teachers Health Foundation (the Foundation) was established in 2014 as a private charitable trust by Teachers Health Group to fund vital research aimed at understanding the unique health challenges faced by teachers, nurses and midwives and their communities. In FY25, the Foundation funded several university–led projects focused on teachers’ mental health, nutrition and climate–related wellbeing.

Strengthening partnerships, amplifying impact

Demonstrating our dedication to supporting the ongoing wellbeing and success of the education, nursing and midwifery communities, we continued to sponsor industry conferences, events and reward and recognition initiatives.

Our enduring relationships with union partners and other stakeholders from across these communities have been instrumental

in delivering meaningful outcomes for our members.

These long–standing collaborations are built on trust, shared values and a deep commitment to supporting the people we serve.

This year, we relaunched our Stakeholder Advisory Committee and I would like to acknowledge the invaluable contribution over the last 12 months of David Wynne as Chair, Directors Mel Smith and Brett Holmes and all our union stakeholders. With our merger, I look forward to welcoming Queensland Teachers Union and other union partners into the Teachers Health Group community. Together, we will continue to strengthen our impact, ensuring members receive the high–quality, value–for–money products, support and benefits they need.

A heartfelt thank you

Achieving our strategic goals and fulfilling our purpose as a not–for–profit, for–purpose, trusted health fund is a shared endeavour. Through the dedication of our teams, the leadership of our Executives and my fellow Directors and the strength of our partnerships, we remain steadfast in our commitment to being there for our members—especially when they need us most.

Thank you for your commitment, hard work and passion in providing award–winning support to our members and in driving our organisation to continuously improve and be an even better business. ‘Together. Better.’ indeed.



M O’Halloran, AM
Chair



Maree O’Halloran, AM
Chair

A message from our Group CEO

Brad Joyce

As we reflect on the successes of the past year, I acknowledge the contribution, innovation and dedication the Teachers Health Group team has shown in navigating a dynamic and often unpredictable PHI environment and delivering so many important milestones. We've made significant progress toward our strategic goals, strengthened our core operations and laid the groundwork for sustainable growth—all the while supporting our members with award-winning service and value-for-money products and services.

Forging a stronger, more resilient future

We focused on growth as a key pillar in our business plan to underpin our sustainability for the long term and it has brought convincing results. In FY25 we proudly welcomed more than 6,500 new policyholder members, marking a 3.5% growth—significantly higher than the industry growth rate of 2.18%—and bringing the total number of lives covered to more than 440,000 Australians. We came incredibly close to our 200,000th member sign up, which we achieved within the first weeks of FY26.

To achieve 3.5% growth while maintaining our industry-leading 96% retention rate (industry retention 89%) is a notable achievement and one that every person in our business contributed to—with our focus always on our members. At the heart of our growth and sustainability goals is a strong commitment to delivering a robust financial performance. In FY25, Teachers Health Group delivered a net surplus of \$18.8m (FY24: \$54.3 million) with total assets growing to \$861 million (FY24: \$817 million) by year's end.

Staying true to our not-for-profit, for-purpose mission, we continued to reinvest back into the organisation—enhancing products and services, strengthening our people and advancing our technological capabilities to deliver greater value to our members.

This year marked a significant milestone as we worked towards the successful completion of our merger with Queensland Teachers Union Health (TUH)—an achievement that reflects months of dedicated effort, collaboration and strategic planning. The merger will strengthen

our organisation, bring together complementary capabilities and create a more resilient and competitive business. Our combined strength means we can continue to focus on what matters most: delivering the support and benefits our members need in a changing health insurance environment.

Members at the HEART of everything we do

For 70 years we've been dedicated to serving the health needs of the education community and their families and we have an almost decade-long history of supporting the nursing and midwifery communities and their families.

Once again, with our members' wellbeing and the cost-of-living top of mind, we've kept our average annual premium increase for 2025 to less than 3% (average of 2.94% across all products), significantly below the industry average premium increase of 3.73% and below healthcare inflation of 4%.

We are always mindful of how we can best support members with the benefits they need. From 1 April 2025, a range of changes has ensured our members get more value from their Extras cover and in a great step forward, we've targeted even more competitive pricing for sole parents.

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 16,800 eyecare patient consultations and 43,000 dental consultations in FY25.

Influencing our industry

It's been my privilege to collaborate and contribute to solutions across the industry, with our partners and other health funds, addressing the complex challenges facing our members and our sector. These include private hospital viability, cost of living, health insurance costs and other market and economic factors.

With our merger, we will be well-positioned to deliver even greater value with enhanced and

expanded products and services for our members and strengthen our ties with our union partners and other stakeholders.

Elevating our capabilities

Our business plan approach is to strive to be an even 'better business' by uplifting our capabilities in several areas, which in turn increases our resilience and sustainability.

We continue to make significant progress in modernising our technology platforms. This year saw the rollout of our digital uplift program, with the successful testing of our new mobile app (now launched), packed with user-friendly features that our members love, including a digital membership card. Looking ahead, we're excited to begin work on a new online membership service and refreshed website—which will be designed to offer a more intuitive, engaging and accessible experience.

Throughout the year, we accelerated other technology initiatives: continuing the multi-year upgrade of our health insurance platform, embracing cloud infrastructure, upgrading Wi-Fi systems and exploring AI-driven processing efficiencies. Each project is a step toward becoming a smarter, more agile organisation. We also strengthened our cyber security posture to ensure our systems remain robust and secure. These efforts are not just about modernising our tools—they're about creating an even better, more seamless experience for our members and future-proofing our operations.

Supporting our people

Our people are critical to the achievement of our strategic goals. Throughout the year we progressed many strategic initiatives to provide an improved employee experience. These included further embedding our change management processes and leadership capabilities, providing greater internal promotion opportunities by creating new roles and ensuring that our people have the opportunity to work on challenging projects.

Teachers Health Group is committed to maintaining a workplace that is inclusive, supportive, respectful and welcoming of difference. Working in alignment with our

HEART values is key to our inclusive culture.

We have taken further steps to support our diverse workforce and inclusive culture, launching four employee networks to celebrate and support dimensions of diversity, creating spaces for connection, advocacy and meaningful dialogue. The networks are designed to be catalysts for positive change—offering safe, inclusive spaces where team members can share experiences and identify opportunities to enhance our workplace culture, business practices and overall employee experience.

As we continue to grow on the back of our merger, we'll be able to offer even more opportunities for development and advancement as a larger organisation, with more locations around Australia. Our new executive and organisational structures reflect the way we will integrate as one team, bringing key roles and responsibilities together. Our leaders are committed to maintaining a visible presence in the Brisbane office, ensuring every employee feels supported and valued.

Driven by purpose, recognised for impact

We never take awards for granted and we are especially proud of awards where our members nominate us independently. This year, Teachers Health won both the Roy Morgan Customer Satisfaction Awards for Private Health Insurer of the Year 2024 and Private Health Insurer of the Year 2024 (Not-for-Profit or Restricted).

Teachers Health was also again recognised in the Mozo's People Choice Awards, scooping seven awards in the 2024 honours list, including 'most recommended' and 'highly trusted'.

In the October 2024 Ipsos Member Satisfaction Study*, Teachers Health member satisfaction (85%) and Nurses & Midwives Health member satisfaction (86%) outperformed the private health insurance market (80%), exceeding industry benchmarks.

These are huge achievements and reflect our commitment to delighting our members, at every opportunity.



Brad Joyce
Group CEO

Thank you

I'd like to extend my sincere thanks to our incredible team—our Board of Directors, Executive Leadership Team and every employee—whose dedication and hard work have been instrumental in advancing our strategic goals and bringing our vision to life: to be the trusted first-choice health partner for all education, nursing and midwifery and other union members and their families. I look forward to welcoming our new Executive Leaders and Directors, along with our new colleagues as the TUH team joins us on 1 July 2025. Together. Better.

And to you, our members and your families who choose us as your health partner—thank you. Your trust means everything to us. Our mission is to inspire and support our members to achieve their best possible health outcomes and we're proud to continue supporting you on every step of your journey as part of our newly merged business.

B S Joyce
Group Chief Executive Officer

About Teachers Health Group

Teachers Health Group is health insurance for teachers, the education community, the nursing and midwifery community and their families.

With more than 199,000 memberships covering over 440,000 lives, we're proud to support the health and wellbeing of those who dedicate themselves to others.

Nancy
Teachers Health member



TEACHERS HEALTH

Teachers Health was established by the NSW Teachers Federation in 1954 to provide cost-effective health insurance for the Australian education community.

We now support more than 440,000 education professionals, support staff and their families, making us the largest industry-based fund in Australia.



NURSES & MIDWIVES HEALTH

Nurses & Midwives Health was created in 2017 to provide nurses, midwives, care workers and their families with quality health insurance to call their own.

As health insurance that's dedicated to caring for the carers, we understand the needs of nurses and midwives more than any other health fund.



UNI HEALTH

UniHealth was created in 2014 to expand our quality health insurance offering to the higher education community and their families.

This enabled us to provide great value health cover to meet the needs of those working in universities, TAFEs, colleges and other tertiary education organisations.



Performance highlights

Stronger results, stronger communities.

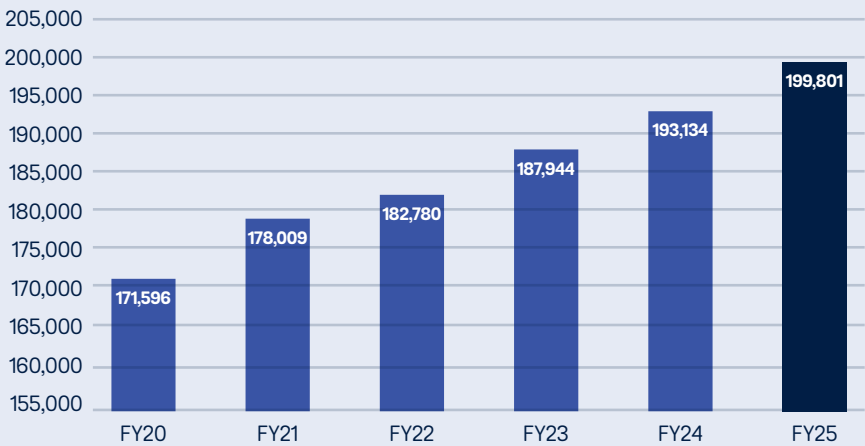
At Teachers Health Group, our promise is to make a real difference in the lives of our members—Australia’s teachers, educators, nurses, midwives and their families. Our mission—to empower and support our members to achieve their best possible health outcomes—is delivered through a strategic framework that focuses on strong growth, collaboration, long-term sustainability goals and great value for our members.

As a not-for-profit fund, this mission is embedded in everything we do.

Total memberships

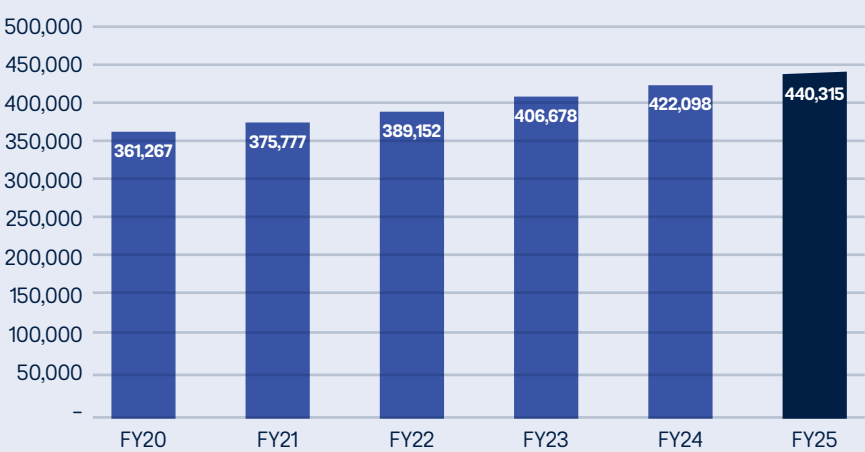
In FY25, we stayed true to our purpose and commitment. We continued to grow our membership base and increase the amount paid in claims year-on-year, ensuring our members receive meaningful and impactful support when it matters most.

Number of memberships



Membership numbers have continued to grow year-on-year, increasing by 3.5% in FY25

Number of lives covered

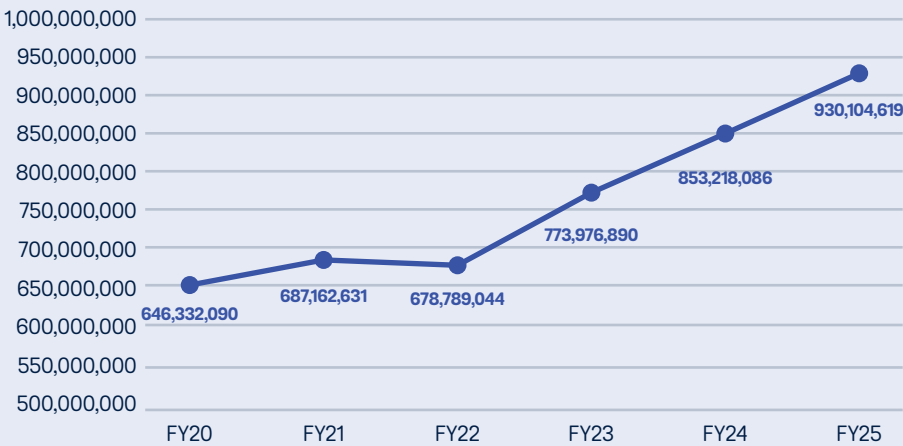


Breaking down our membership growth into the number of lives covered, we report an increase of 4.3% for FY25

Amount of claims paid (\$)

In FY25, Teachers Health Group paid out 90c of every \$1 of premium income received. The dollar amount of claims paid in FY25 exceeded those in FY24 by over 9%—and have averaged a 7.6% annual increase since FY20.

Amount of claims paid (\$)

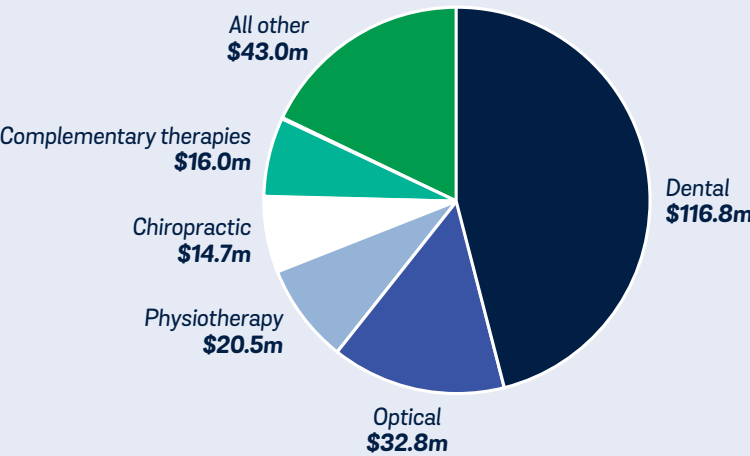


Ancillary claims paid (\$) by category

Dental remains our largest ancillary claims category, while Complementary therapies was the fastest growing category.

Ancillary claims paid were over 12.9% higher in FY25 than in FY24.

FY25 – Ancillary claims paid (\$) by category



These figures represent combined data from Teachers Health Group (including Teachers Health, Nurses & Midwives Health and UniHealth) from FY20.

Note: Nurses & Midwives Health merged with Teachers Health Group on 1 January 2022.



Members are at the heart of everything we do

 135,132 People moving better ¹	 2,635 Hearts cared for ⁶	 45,231 Podiatry consults to keep people on their feet ⁵	
 179,452 Brighter smiles ²	 1,801 New knees ⁸	 82,338 Complementary therapies ⁹	
 119,504 Sets of eyes seeing more clearly ⁴	 2,987 Parents supported with the arrival of their new bundles ³	 11,920 Gym memberships supported ⁷	
199,801 MEMBERSHIPS		230,000+ Phone calls from our members, resolving 94% of enquiries on the first call.	
440,315 LIVES COVERED		4.5 STARS We more than doubled our online reviews on Product Review in FY25 – lifting our average rating to a fantastic 4.5 out of 5.	

95.6%
of our members chose to stay with us in FY25—well above the industry average (89.4% as at March 2025).

More than **55%** of our members have been with us for more than 10 years. **31%** have stayed for more than two decades.

This year, we honoured and expressed our gratitude to our **323 Foundation Members**—those who have trusted Teachers Health Group with their health cover since we first opened our doors in 1954.

85%

of Teachers Health members say they're satisfied with their experience, as do 86% of Nurses & Midwives Health members—both outperforming the private health insurance market (at 80%).¹⁰

Even better, the number of Teachers Health members who are completely satisfied is double the industry average (24% vs 11%). That tells us one thing loud and clear: our members feel the difference.¹¹

Giving members what they value most
What Teachers Health Group members value most is our quality, comprehensive cover, excellent customer service, value for money and our hassle-free claims process.¹²

Our members are happier to spread the word
Our members are twice as likely as the average private health insurance customer to say they're 'extremely likely' to recommend us to friends, family, or colleagues.¹²

Truly putting members first
As a not-for-profit, we're proud to be 28 points above the industry benchmark for being a fund that is focused on our members and 22 points higher for prioritising members' needs over profits.¹²

Auscontact Awards 2025 winner
At the Auscontact Awards 2025 (celebrating excellence in customer service and experience), Teachers Health was named NSW winner for:

- Workforce Management Professional** – Laura Horton.
- Customer Experience Initiative of the Year, Workforce Transformation** – Teachers Health Group Contact Centre.

Roy Morgan Customer Satisfaction Awards for
Teachers Health: Private Health Insurer of the Year 2024
and
Teachers Health: Private Health Insurer of the Year 2024 (Not-for-Profit or Restricted).

Source: Based on July 2024 – June 2025 data for Teachers Health Group. Footnotes: ¹Physiotherapy including ante-post natal and physiotherapy device, Osteotherapy and Chiropractic services. ²Periodic oral examination. ³Deliveries and pregnancy-related claims. ⁴Optical frames, repairs and replacements, contact lenses. ⁵Podiatry consultation. ⁶Hospital coronary care. ⁷Preventative health product – health management – gym membership. ⁸Total knee replacements. ⁹Complementary therapies. All the figures in the infographic relate to Teachers Health Group. Memberships refers to policyholders. ¹⁰Teachers Health Member Satisfaction Study – Ipsos for Members Health Fund Alliance – October 2024. Nurses & Midwives Health Member Satisfaction Study – Ipsos for Members Health Fund Alliance – October 2024. ¹¹Ipsos | Teachers Health Member Satisfaction Report 2024 & Ipsos | NMH Member Satisfaction Report 2024. ¹²Teachers Health Member Satisfaction Study – Ipsos for Members Health Fund Alliance – October 2024.

Our products and benefits

What matters to members, matters to us.

In FY25, we focused on delivering greater value to our members—especially during a time of rising living costs. With affordability, access and wellbeing at the heart of our approach, here’s how we made a difference:

Supporting sole parent families

We reduced pricing for sole parent policies across most of our Hospital and Extras products at a time when premiums were rising industry-wide. This recognises and supports the unique needs of sole parent households—especially those within the teaching and nursing communities.

Enhancing product benefits

We implemented several enhancements to our Hospital and Extras products to better support our members’ health needs:

- Removed percentage-based benefits from Aids and Appliances, allowing members to claim up to the full set limit.
- Increased the annual limit for the Healthy Lifestyle benefit, reinforcing our commitment to members’ health and wellbeing.
- Removed the hospital excess for dependants on Basic Hospital cover.
- Waived excess payments for members participating in No Gap Hospital programs.

Expanding access to GPs

We know it can be challenging to access GPs and appointments when you need them. This year we ensured our members knew they had access to My Telehealth—which provides bulk-billed online GP consultations that are convenient and with no out-of-pocket costs. This service not only delivers cost savings as cost of living increases but also supports early diagnosis and ongoing management of chronic health conditions.



Strengthening our partnership with Specsavers Audiology

We are the first health fund to offer a Preferred Provider Agreement with Specsavers Audiology – providing our members with free audiology consultations where required and access to hearing aids with no gap or a significantly reduced gap.



Supporting members through crises

We understand that natural disasters can upend lives in an instant—property loss, disruption to employment and income and mounting unexpected expenses all create stress when people can least afford it. To help members stay protected when they need it most, we offered three months of free cover to members affected by recent major flooding events. Knowing members’ health cover remains intact allows them to focus on recovery—rebuilding their homes, returning to work and supporting their families—rather than worrying about paying premiums or risking a coverage gap.

Rewarding loyalty

9,713 new members enrolled in our Member Rewards program, collectively receiving more than \$50,000 in cash back—helping them offset the cost of their private health insurance simply through their everyday purchases. It’s another way we are delivering real, meaningful value to our members in as many ways as we can.



ESG

Doing good. Together.

As a not-for-profit health fund, Teachers Health Group exists to support our members and communities. In FY25, we continued delivering on this purpose through a wide range of initiatives that support our people, members and the world around us.

We're now in the second year of our Board-approved Environmental, Social and Governance (ESG) Strategy, embedding sustainable and responsible business practices across all 13 impact areas. It's a key part of our goal to be a 'better business'—for our members, stakeholders and community. Below are some of our most impactful achievements from the past 12 months:

Taking action for reconciliation

In February we launched our Innovate Reconciliation Action Plan (RAP) with the support of Reconciliation Australia. A commitment to deepen respect, relationships and build opportunities working with Aboriginal and Torres Strait Islander peoples. With 17 actions and 76 deliverables, teams across Teachers Health Group are working together to bring it to life.

Building a culture of diversity, inclusion and belonging

We've introduced a new Diversity & Inclusion Governance Framework to guide how we embed inclusion across our business. Led by our D&I Steering Committee and RAP Innovate Steering Committee, these groups help shape our D&I Strategy, Reconciliation Action Plan and Accessibility Action Plan – ensuring our actions reflect our values and support a more inclusive future for all.

Creating a truly inclusive and respectful workplace is part of who we are. We're proud to be a member of Diversity Council Australia,

FY25 highlights include:

- NAIDOC Week and National Reconciliation Week, with powerful cultural experiences such as the Welcome to Country given by Brendan Kerin from the Metropolitan Land Council with a welcome song played on the yidaki and storytelling from Charline Emzin-Boyd, long-time Teachers Health member and woman of Bundjalung, Irish and Tanna Island heritage.
- Producing a reconciliation video in partnership with Blackfish, sharing our journey through the voices of our people and partners.
- Strengthening respect through new engagement protocols, HR policy reviews and workshops led by our First Nations Advisor.
- Building connections via new partnerships with CATSiNaM (Congress of Aboriginal and Torres Strait Islander Nurses and Midwives).
- Continued sponsorship of NSW Department of Education Nanga Mai awards, celebrating excellence in Aboriginal education.
- Reporting regularly on our RAP progress to our Board and senior leaders.

giving all our people access to expert, evidence-based resources and webinars that reflect Australia's unique diversity and provide insights into how to build inclusion and belonging.

Through our partnership with the Australian Disability Network, we're building a more inclusive environment—one that considers the needs of every team member and every member we serve. This year, we've taken tangible steps, including:

- Office and facility upgrades informed by our Dignified Access Review.
- Targeted accessibility training to build capability across business units.



Charline Emzin-Boyd and David Wynne

- Accessible design features incorporating WCAG 2.2 requirements for our new member app and website.
- New recruitment tools and training to better support candidates with disability.
- Town halls and events that celebrate lived experience, featuring voices like Paralympian and Teachers Health member, Kurt Fearnley.
- Improved tools like the NALscribe app to enhance communication in our Health Centres.
- Continuing to benchmark our progress through the Access and Inclusion Index.

Transition to hybrid vehicle fleet

In April, we took another big step toward reducing our environmental impact by rolling out a new corporate vehicle policy. We've started transitioning our fleet to hybrid vehicles.

Giving back where it counts

This year, we proudly continued our commitment to supporting the community—through trusted partnerships, hands-on care and meaningful giving:

- We backed important causes with workplace giving and support to Australia for UNHCR and Stewart House.
- Our dedicated Health Centre teams continued to deliver free eye and dental check-ups to children at Stewart House—donating 355 frames and lenses.



Reshma Joseph
Teachers Health Group Head of Membership Services.

Since 2017, Teachers Health Group has partnered with Australia for UNHCR to help deliver life-saving healthcare to displaced mothers and newborns in the Democratic Republic of Congo.

- Our ongoing partnership with the Rev. Bill Crews Foundation Dental Clinics have supported some of the most vulnerable members of the community—providing free dental treatment at its Ashfield clinic for more than 1,100 individuals experiencing homelessness or financial hardship and supporting the development of their new, purpose-built Blacktown Dental Clinic.
- We launched a new partnership with the Asylum Seeker Centre at our Parramatta Health Centre, offering essential dental and eyecare to people seeking asylum.
- To improve communication and comfort for patients with hearing or vision loss, we now offer live captioning iPads across all our Health Centres.

Employee Networks

We established four Employee Networks this year. Our employee-led networks bring our inclusion strategies to life—creating safe, collaborative spaces where people share experiences, drive positive change and shape a more inclusive workplace across Teachers Health Group.



GEM
Gender Equity Matters



Ngara
Reconciliation



Sunflower
Disability and Carers



PRIDE
LGBTQIA+

Sustainability at our Health Centres

Teachers Health Group operates six Health Centres across NSW, Victoria and South Australia, providing state-of-the-art eyecare and dental services to members for more than 25 years. Our Health Centres aren't just for care—they're part of our community impact. This year, we've:

- Donated 1,700 pairs of glasses through the Lions Club Recycle for Sight Program.
- Recycled 62kg of oral care waste via Terracycle's Oral Care Recycling Program.
- Introduced intra-oral digital scanners to support waste minimisation efforts for our dental services.

Teachers Health Foundation

The Teachers Health Foundation mission is to improve health outcomes for teachers, educators, nurses, midwives and their communities by funding research that:

- Contributes to our understanding of the risk factors and health conditions that impact these communities.
- Encourages healthcare design that meets their needs.
- Is translational in supporting health and wellbeing outcomes.

This year, the Foundation:

- Welcomed new directors from the Teachers Health Group Board, ensuring the Foundation maintains a strong connection with Teachers Health Group and its key stakeholders.
- Launched its own subpage on the Teachers Health Group website, to support public engagement and awareness.
- Regularly met with community stakeholders and researchers to explore potential research opportunities.
- Supported research by the University of Melbourne into how climate change-related resources can support teachers' mental health and wellbeing.

- Continued to support a research project into school teacher nutrition-related health and wellbeing at the University of Newcastle.

Research funded by the Foundation at the Charles Perkins Centre in FY22 has also led to the launch this year of the WELL (Wellbeing of Educators in Learning and Leading) Node at the University of Sydney. The WELL Node brings together researchers, teachers, school leaders and community members to co-create, implement and evaluate policies that can improve the wellbeing of educators in Australian schools.

Modern slavery

This year, we published our fifth Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth)—continuing the improvement of our procurement processes to ensure the ethical treatment of people across our operations and supply chain.

Unions and partnerships

Proudly supporting the people who support us.

Teachers Health Group is deeply connected to the education, nursing and midwifery communities—building strong, trusted relationships that grow year after year. In FY25, we continued to show our support by sponsoring a wide range of industry conferences, events, community activities and recognition programs that celebrate the dedication, wellbeing and achievements of the people who care for others every day.



Teachers Health ambassador Kurt Fearnley speaking at a Teachers Health Group employee event.

This year we supported the following:

Education

- AEU Aboriginal & Torres Strait Islander Conferences
- AEU ACT Education Awards
- AEU Beginning Teachers Conferences
- AEU Federal Conference
- AEU New Activities Conferences
- AEU NT Delegates Conference
- AEU Principal Conferences
- AEU Women’s Conferences
- Australian Primary Principals Association National Conference
- Australian Secondary Principals Association National Conference
- Canberra Institute of Technology All Staff Conference
- Catholic Schools NSW Spirit on Country Conference

- IEU New Teacher Conferences
- NSW DoE Back to School
- NSW DoE Schools Spectacular
- NSW DoE Nanga Mai Awards
- NSW Deputy Principal Association Conferences
- NSWTF Annual Delegates Conference
- NSWTF Aboriginal and Torres Strait Islander Members Conference
- NSW Women in Education Leadership Conference
- PEF Scholarship Events
- Tasmanian Principals Association
- Victorian School Business Managers Conference

Health

- ANMF SA Delegates Conference
- ANMF TAS Biennial Delegates Conference
- ANMF TAS Aged Care Conference
- ANMF VIC Delegates Conference

- ANMF VIC Nurses & Midwives Conference
- Australian College of Nursing National Conference
- Australian College of Nursing New Graduate Conference
- Australian College of Mental Health Nurses Symposium
- Australian College of Midwives Conferences
- CATSINaM Biennial Conference
- International Nurses Day
- International Midwives Day
- NSWNMA Delegates Conference
- NSWNMA New Graduates Conference
- NSWNMA Rural, Regional & Remote PD Conference

Community Events

- Fair Day NSW
- Feast Festival SA
- Midsumma Victoria

Together in the community

Giving back to and supporting the education, nursing and midwifery communities and their families is our core focus. We’re proud to support initiatives that promote wellbeing and create lasting impact, enabling us to invest directly in the people and communities who give so much.



Taryn
Teachers Health Member



2025 Proudly Public Awards – Public Education Foundation

Public Education Foundation

We are very proud to support the next generation of educators and health professionals through our ongoing partnership with the Public Education Foundation Ltd (PEF)—now in its eleventh year.

PEF is a not-for-profit organisation dedicated to providing scholarships and resources to students and educators in public education and to help them achieve their full potential. Since 2018, Teachers Health Group has

awarded 24 life-changing PEF scholarships, including 16 to students and eight to educators – with a total of \$242,500 in support.

This year, Teachers Health Group supported the following scholarships through 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
- Teachers Health Early Career Scholarship
- Relocation Grant

Our partnership with PEF is a testament to our shared values and our commitment to creating educational opportunities for students, teachers, nurses and midwives early in their professional careers. By empowering and supporting students at a pivotal time in their lives, we can help make a meaningful impact both now and into the future.

Spotlight on Teachers Health Early Career Scholarship

Teachers Health Early Career Scholarship supports public school teachers in the first three years of their teaching career, with funding provided for professional development and learning.

Teachers Health Early Career Scholarship 2025 recipient, Ronan Douglas, has a passion for empowering students and supporting the teaching profession, particularly in rural and regional areas.

Ronan plans to use the Teachers Health Scholarship to pursue professional development opportunities, including a program at Harvard University. His focus will be on the psychological aspects of teaching and learning; an area closely aligned with his current university studies.

“This scholarship offers a pathway into professional development that would have otherwise been impossible for me to attend,” Ronan said. “Growing up on the northeast coast of Tasmania, opportunities to broaden one’s horizons are often limited. With this scholarship, I’ll be able to succeed in perhaps one of my most unlikely dreams of going to Harvard! Furthermore, the professional development I aim to attend will connect with my university studies, deepening my understanding of how to create supportive learning environments.”

Ronan is deeply committed to addressing critical issues in education, such as the nationwide teacher shortages.

“Across the country, we are losing qualified teachers, particularly in rural and regional Australia,” he explained. “Having strong teacher leadership in the next few years will be critical in ensuring that our students are not put at a disadvantage.

By enhancing my understanding of how to prepare students for the challenges of the future, I hope to one day lead my colleagues in developing thoughtful students who can meaningfully engage with the world around them.”



Ronan Douglas
Recipient of Teachers Health Early Career Scholarship 2025

Healthcare Services

Supporting our members' health.

We know that good health is about more than cover—it's about care that makes a real difference. That's where our Healthcare Services comes in. This member-first initiative gives our members access to expert, evidence-based support through two services—Chronic Disease Management Programs (CDMP) and Hospital Substitute Treatment (HST).

With an experienced team of qualified health professionals in-house and a suite of contracted service providers, Healthcare Services uses a patient-centred care model, to:

- Improve health literacy of members.
- Empower members with self-management skills for sustainable health outcomes.
- Support members to achieve better health and an improved quality of life.

Chronic Disease Management Programs (CDMPs)

From mental health to diabetes, our eight tailored CDMPs help members manage chronic conditions and risk factors like:

- Obesity
- Cardiovascular disease
- Osteoarthritis and other musculoskeletal conditions
- Mental ill health
- Diabetes

The results: healthier habits, improved clinical outcomes and members feeling more supported, more informed—and incredibly grateful.

Hospital Substitute Treatment (HST)

We continued to partner with trusted providers across Australia to facilitate access to HST programs so eligible members can access care like:

- Rehabilitation at home (e.g. post joint replacement).
- Hospital at home (e.g. wound care, chemotherapy and other medication infusions).
- Detox from alcohol at home.

It's not just better for members—it has saved Teachers Health Group an estimated \$4.45 million over four years by avoiding unnecessary hospital stays.

In FY25, our program evaluations show just how powerful the right support can be. Members have experienced meaningful health gains, including healthier body weight; improved mental wellbeing; and better outcomes for heart health and diabetes. It's all part of our commitment to helping members live healthier, more confident lives.



Nanette
Nurses & Midwives Health member

Helping our members live fuller, healthier lives.



Angela's story:

Stepping away from pain towards strength

Struggling with debilitating pain that curbed her mobility, 66-year-old Angela found herself at a crossroads.

Her surgeon made it clear: a total knee replacement, the key to easing her severe sciatic pain, would only be considered if she first lost a significant amount of weight. Feeling the magnitude of this challenge but driven by a desire for change, Angela reached out to Healthcare Services.

Upon assessing Angela's specific needs, it became clear that the Healthy Weight for Life (HWFL) program was the ideal foundation for her success. "It provided online education and tools to monitor my progress and modify and improve my life," Angela explains.

Angela also partnered with a dedicated Healthcare Services Registered Nurse, Georgia.

"Georgia's care is the perfect balance between personable and professional. She motivated me, kept me accountable, celebrated my successes and helped me get my life back!"

With this comprehensive support system, Angela found the strength to stay committed, steadily weaving new, healthier habits into her daily life. "I shifted my mindset and made good choices."

And her progress was tremendous:

- Angela shed 14 kg – a significant achievement that met her surgeon's requirements.
- With her weight target met, she successfully underwent a total knee replacement, opening the door to a life with less pain.
- Walking, once a painful chore, transformed into an enjoyable activity as she could cover longer distances without discomfort.

Post-surgery, Angela embraced a new routine. "The old me would never even have uttered the word gym, let alone worn active wear inside one! Now I look forward to strength and mobility training three times per week since, I'm told, I look good in Lycra!"

What had seemed like an insurmountable hurdle had, with the proper support and her unwavering spirit, become a remarkable turning point. "I've hit plateaus, but I've got a great network of family, friends and professionals supporting me," she adds.

It's a heartwarming reminder that with determination and a helping hand, daunting health challenges can truly transform into triumphs.

Ross's story:

Staying social and taking control of pre-diabetes

Ross, a lively and social retiree from coastal NSW, led an active life filled with cherished connections with friends and family.

So, it came as a significant concern when, at the end of 2024, he received a pre-diabetes diagnosis.

With a family history of type 2 diabetes, his GP's warning, that he was likely to develop diabetes within 12 months, resonated deeply. "I was very disappointed with his prediction, so I was determined to do my best to improve my diet and remove the pre-diabetic label from myself."

To reduce his risk, his goals were clear: trim a few centimetres from his waist and lose 5 kg. Understanding that support would be key, Ross engaged with one of Healthcare Services' dietitians, Jo, who helped him pinpoint his biggest challenge. "The main problem I had was when I deviated from my normal, healthy daily diet. When I socialised, I indulged in too many treats."

So, over the next six months, Ross thoughtfully modified how he ate.

"Having regular phone sessions with Jo greatly helped me to achieve my goals. Apart from the expert knowledge she provided, our sessions enhanced my motivation and discipline to make the necessary changes in my diet."

He also maintained at least 150 minutes of moderate-intensity exercise each week—a non-negotiable part of his routine. His dedication led to remarkable results:

- Ross successfully lost 4.5 kg and trimmed 2 cm from his waist, showing tangible physical progress.
- Ross's blood results moved from the high end of the pre-diabetes range back to a normal range.
- Most importantly, Ross now feels genuinely confident in his ability to manage his diet and lifestyle, significantly minimising his risk of developing type 2 diabetes.

Ross plans to continue his regular GP checks, ensuring he stays firmly on track. His experience is a testament to how proactive steps, expert guidance and a commitment to preserving one's core lifestyle can make a real difference—rewriting a seemingly pre-determined future, all while living life to the fullest.

Our people

Investing in our people, living our values.

At Teachers Health Group, our people are an essential part of everything we do. We know that when we look after our employees —by supporting their wellbeing, safety, skills and capability— they’re empowered to do what they do best: take great care of our members. That’s why in FY25, we’ve continued to invest in creating an even better employee experience, helping our team thrive so our members can too.

In FY25, we continued to support our incredible team through meaningful professional development and a workplace culture grounded in our HEART values.

Empowering future leaders

We deepened our partnerships with expert coaching providers to offer leadership development tailored to help our people grow and thrive.

Creating more pathways for growth

By introducing new roles across the organisation, we opened up fresh career opportunities—boosting job satisfaction and helping retain our talented team.

Expanding leadership development

Our leadership programs reached more employees than ever, building their skills, confidence and readiness to step into greater responsibility.

Living our HEART values

Our HEART values continue to guide how we work, support and respect one another. They’re more than words—they’re woven into our everyday actions. To bring these values to life, our Executive Leadership Team connected directly with staff via video—sharing what HEART means to them and why it’s vital to our long-term sustainability. We also continue to recognise and celebrate those who demonstrate HEART in the ‘moments that matter’.

Creating a supportive and inclusive workplace

We are committed to building a workplace where everyone feels valued, empowered and supported to do their best work.

Championing diversity and inclusion

We’re proud members of Diversity Council Australia and work closely with like-minded organisations to foster a culture of inclusion and accessibility. Through workshops, conferences and training, our employees are growing their understanding and confidence to contribute to an inclusive environment every day.

Supporting wellbeing – inside & out

Employee wellbeing remains a top priority, with ongoing initiatives like “lunch and learn” sessions, heart and skin checks and our annual flu vaccination program.

Nurturing career growth

Our new online performance and development program puts each employee’s career journey front and centre. By identifying individual strengths and aligning them with tailored opportunities, we’re making sure everyone has a clear path forward at every stage of their career.

Navigating change with confidence

With a strong change management approach, we’ve helped our people confidently embrace new technologies and ways of working. The result? Better outcomes for our teams and the business—with Q3 retention rates reaching their highest in five years.

Growing through learning

Supporting a learning culture is more than a goal—it’s a mindset. In FY25, 465 employees completed more than 1,700 courses, strengthening skills and sparking new ideas across the organisation.

Balancing flexibility and belonging

Most of our employees now enjoy the benefits of hybrid work, creating a respectful, flexible environment where people feel seen, heard and supported.

Together. Better.

Teachers Health Group and TUH.

FY25 marked an exciting new chapter for Teachers Health Group and Queensland Teachers Union Health (TUH). Together, we worked through the legal process towards merging to form a single entity from 1 July 2025, under Teachers Health Group—which will consolidate our position as Australia’s largest industry health fund and sixth largest fund overall.

Founded in 1972 by the Queensland Teachers Union, TUH provided Queensland teachers and their families access to first rate health care for over 50 years. Tens of thousands of educators and their loved ones trust TUH for straightforward cover, personalised support and the kind of respect they deserve.

This strategic and carefully planned merger brings together two not-for-profit, union-based health funds with more than 120 years of combined experience—and means that Teachers Health Group, now encompassing Teachers Health, Nurses & Midwives Health, UniHealth, TUH and Union Health, will be the only health fund in Australia dedicated

to serving teachers, educators, nurses and midwives. The only truly union-based health fund in the country.

The merger is a logical fit. Both Teachers Health Group and TUH are like-minded, proud, not-for-profit health funds, closely aligned in both history and aspirations, with deep long-standing connections to their respective teachers’ unions and a recognised member-first approach, resulting in a strong cultural and values alignment.

By joining forces, the merged business will be a more resilient force in the market and be in the best possible position to continue to deliver industry-leading products and award-winning service to our members. The increased size and scale of the merged business will ensure that we continue to remain competitive, thrive and serve our members well into the future.

TUH in the community

TUH is also deeply committed to fostering strong connections with the education and

local communities—actively partnering with, volunteering and fundraising for organisations dedicated to enhancing the health and wellbeing of Australians.

TUH has proudly supported charity partners this year including Friends with Dignity, Indigenous Literacy Foundation, Eat Up, Wear It Purple and RSPCA.

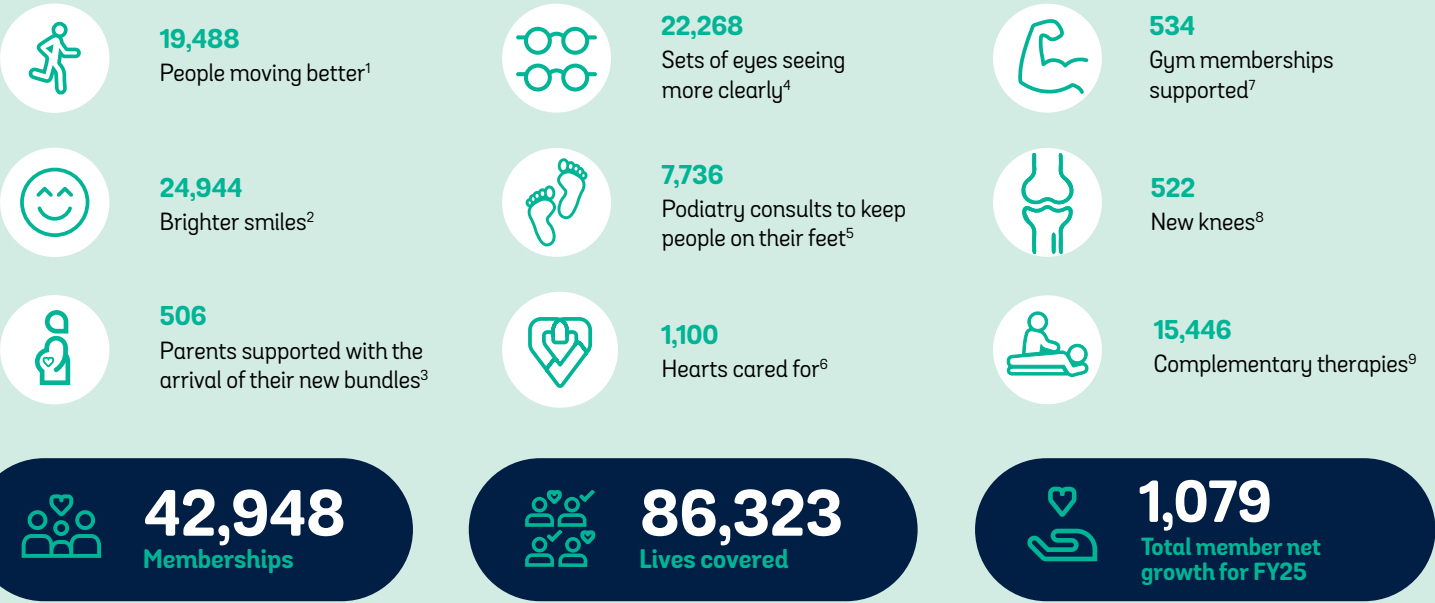
Empowering educators: Future of Teaching Bursary

In partnership with the Independent Education Union (IEU), TUH’s bursary fuels innovative projects—whether it’s professional development, special research or hands-on learning, this grant is all about lifting teaching careers—and the communities they serve.

Caring for kids: Salvation Army schools

TUH’s ongoing support of Salvation Army’s Lawnton and Riverview Independent Schools helps improve student attendance, emotional wellbeing and nutrition.

Getting to know TUH members



Source: Based on July 2024 – June 2025 data for TUH. Footnotes: ¹ Physiotherapy including ante-post natal and physiotherapy device, Osteotherapy and Chiropractic services. ² Periodic oral examination. ³ Pregnancy related claims less abortion. ⁴ Optical frames, repairs and replacements, contact lenses. ⁵ Podiatry consultation. ⁶ Hospital coronary care. ⁷ Preventative health product – health management – gym membership. ⁸ Total knee replacements. ⁹ Complementary therapies. All the figures in the infographic relate to TUH. Membership refers to policyholders.

Kurt Fearnley
Paralympian, disability advocate and Teachers Health ambassador

Corporate Governance Statement

Our commitment to good governance.

Legal and governance structure

Teachers Federation Health Ltd (Teachers Health or the Company) is a company limited by guarantee and is subject to the Corporations Act 2001 (Cth). The Company 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 2025, the Board's corporate governance practices reflect the ongoing focus of the Board in discharging its responsibilities to satisfy the expectations of Company 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 Company 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 of performance – Monitoring and assessing the CEO and other senior



Brendan Kerin delivering the Welcome to Country at Teachers Health Group Head Office

executives achieving Board-approved strategies, budgets and key performance indicators.

- Remuneration – Approving remuneration policies and practices, including reviewing the performance and remuneration of the Group CEO.
- Stakeholder management – Effectively communicating with Company 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.
- 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 Group 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 Group CEO is not a Director of the Company. Key management personnel including the Group CEO (and other employees of Teachers Health Group) 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 Company'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.
- Two elected member 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 Chair is an independent and non-executive Director appointed by the Board. The Chair'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.
- Reviewing corporate governance matters with the Group 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.
- 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.

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.
- 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 Company 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 Company Directors and the Governance Institute of Australia.

Board meetings

The Board meets at least nine 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 Company 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, Teachers Health has a Director Independence Procedure to strengthen the Board's consideration of 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 immediately prior to serving on the Board, has been a principal of a material professional adviser or material consultant to Teachers Health or another Group member or an employee materially associated with the service provided.
- Within the last three years immediately prior to serving on the Board, 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.
- 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.

A Director who has, or has had in the last 12 months, an association with the Queensland Teachers' Union such as the President, Vice-President, General Secretary or Deputy Secretary or a senior officeholder will also 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 Company.

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.
- 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.



Jessica
Teachers Health member

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 Company 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.

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.

Remuneration of Directors and executive management

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

For the twelve months ended 30 June 2025, 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 Company provides Directors and Officers Insurance.

The Board, based on recommendations from the People and Remuneration Committee, determines the remuneration of the Group CEO as part of the incumbent’s terms and conditions of appointment. Teachers Health’s policy in respect of the Group CEO and executive management incorporates remuneration that is competitively set so the organisation can attract, motivate and retain high calibre executives to lead the Company. The People and Remuneration Committee reviews the remuneration of the Group 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.



Nancy
Teachers Health member

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

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 Chair 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
- 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 and up to a maximum of five 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 Chair of the Committee who must meet two criteria: (i) be an independent non-executive member of the Board and (ii) not be the Chair 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 Company 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.
- 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 times per year. The Committee met four 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 and up to a maximum of five non-executive members of the Board, the majority of whom are independent.

The Chair of the Committee shall be an independent director appointed by the Board.

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 Group CEO and report to the Board the outcomes of this review.
- Review with the Group CEO the outcomes of the annual performance evaluation of direct reports to the Group 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 Group CEO and report the outcomes of this review to the Board.
- Review and approve the recommendations of the Group CEO relating to the conditions of employment and annual remuneration of the direct reports of the Group 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.
- Receive and consider material breaches of policies such as the Code of Conduct and ensure appropriate action is taken with respect to such breaches.
- Periodically review with the Group CEO, the Teachers Health organisational capability and succession plan for employees, managers and executives.
- Review people-related issues and policies generally.

The Committee Charter provides that the Committee meet not less than three times per year. The Committee met six 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 and up to a maximum of five 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 Chair of the Committee who is an independent non-executive member of the Board and not the Chair 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.
 - The appropriate level of reporting on the performance and application of the risk management and internal control system.



Taryn Teachers Health Member

- 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.
 - Best practice developments in corporate governance.

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



Foundation Member Bruce, his daughter, Narelle and Teachers Health Group staff

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 2025 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.
- 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 Company Members on the conduct of the Company 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 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 Group 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.



Dental care at Teachers Health Centre Adelaide

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.
- Maintaining a professional and respectful workplace.
- Dealing honestly and fairly with all parties.
- 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 2024 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 Company 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 the representation of women on the Board was set at 40%, and representation on the Board has remained above the target for more than five years and is at 60% for the financial year ending 30 June 2025.

In accordance with the requirements of the Workplace Gender Equality Act 2012, Teachers Health lodged its 2025 annual public report with the WGEA. A copy of the report can be accessed at wgea.gov.au. The representation of women across the organisation as at 31 March 2025 is shown in the table:

Category	Number	Percentage of category
Women on the Board	6	60%
Women in senior executive	3	38%
Women in management positions	27	60%
Women employees in the whole	311	66%

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 Company 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.



Guy
Teachers Health member

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.
- Conduct that represents a danger to the public or the financial system.
- 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 2024, Teachers Health submitted its fifth 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.
- 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.



Joseph Phung (Deputy CEO), Linda Seeto (Health Centre Operations Officer) and Nick Mavrelis (National Property & Facilities Manager)

Directors' report
Guiding with purpose.

Your Directors present their report, together with the consolidated financial statements of the Group consisting of Teachers Federation Health Ltd (Teachers Health or the Company) and the entities it controlled (collectively referred to as the Group) at the end of or during the year ended 30 June 2025.

Directors

The names and details of the Directors of Teachers Health in office at any time during or since the end of the financial year and the period for which the person was a Director are as follows:

M O'Halloran AM
Chair
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 Chair 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 a former Chairperson of Teachers Mutual Bank and Nurses and Midwives Health Pty Ltd. Ms O'Halloran has also previously served as a member of the NSW Public Service Commission Advisory Board and a director of HESTA 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 Board People & Remuneration Committee, Audit & Finance Committee and the Risk & Compliance Committee.

G M Ackroyd
Deputy Chair
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.

J Battams
Director
B Ec, Dip Ed, MAICD

John Battams was appointed to the Board on 1 July 2025 as a Qld Specialist Director.

Mr Battams is currently the Chair of NGS Super and Chair and managing director of the Labor Holdings Group of companies. He is a former President of the Australian Labor Party Queensland Branch (2016-2024). Mr Battams was previously a Director of the Queensland Investment Corporation (2015-2024), held the position of General Secretary of the Queensland Teachers' Union from 1990-2011 and is a former President of the Queensland Council of Unions (QCU) where he worked with Queensland unions representing workers on industrial, political and social justice issues. Mr Battams has had extensive directorship experience on a number of boards.

Mr Battams is a member of the Audit & Finance Committee.

T Burke
Director
B Ed, M Ed (Ed Admin), Grad Dip Ed, GAICD

Terence Burke was appointed to the Board on 1 July 2025 as a Qld Specialist Director.

Mr Burke is the general secretary of the Queensland Independent Education Union, a director of NGS Super as well as a Deputy President of the Queensland Council of Unions, a Director of the Non-State School Accreditation Board and Vice-President of the Independent Education Union of Australia. Mr Burke has an extensive background in organisational development and administration, risk assessment and management, strategic and policy development. In his teaching career he worked in Catholic schools and held various administrative positions.

Mr Burke is a member of the People & Remuneration Committee.

T Edmonds
Director
GDLP, LLB, Grad Dip Mus (Teach), B Mus (Perf)

Thalia Edmonds was appointed to the Board on 1 July 2025 as a Qld Specialist Director.

Ms Edmonds is an admitted legal practitioner and is currently the Industrial Advocate at Queensland Teachers' Union. Ms Edmonds also works at Griffith University in the School of Criminology as a tutor. She has had extensive experience as a Federal Prosecutor employed by the Commonwealth Director of Public Prosecutions and has acted in leadership and advisory roles at a number of organisations.

Ms Edmonds is a member of the Risk & Compliance Committee.

B Holmes
Director
GAIST, GAICD

Registered Nurse Non–Practising, 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
B.A., DipEd, 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
B Ec, 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 several 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 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, B VET

Maxine Sharkey was appointed to the Board of Teachers Health in 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 eight 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.

Company secretaries

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

B S Joyce
B. Comm., FCPA, FAICD

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

P A Jones
B Ec., LLM

Penny Jones was appointed Company 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).

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.
- 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 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, 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.
- Above industry organic growth, augmented by strategic and appropriate merger opportunities, to increase the size and scale of the business. To this end, the Company’s health benefits fund merged with the Queensland Teachers’ Union Health fund with effect from 1 July 2025.
- A sustainable and resilient business with the inclusion of an environmental, social and governance (ESG) strategy as part of Teachers Health’s updated Business Plan.

As a for–purpose 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 our members.



Meetings of Directors

During FY25, 22 meetings of Directors (including committees of Directors) were held. Attendance by each Director during the year was 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	11	11			4	4	6	6
B Holmes	11	11	4	4	4	4		
T Mulroy	11	11	4	4	4	4		
M O'Halloran	11	11	4	4	4	4	6	6
S Roberts	11	10			4	4		
M Rosicky	11	11	4	4			6	6
M Sciffer	11	8						
M Sharkey	11	9						
M Smith	11	10					6	5
D Torrance	11	10	4	3				

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

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 Group CEO and executives of the organisation are aligned to these same metrics and indicators and individual performance is measured against these annually.

Members' guarantee

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

If the Company is wound up, the Constitution states that all property (other than property forming part of a health benefits fund conducted by the Company) that remains after payment of all of the debts and liabilities of the Company 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 Company Members.

If the Company is wound up and cannot meet its debts, the Constitution states that each

Company Member is required to contribute a maximum of ten dollars (\$10) towards meeting any outstanding obligations of the Fund.

The total amount that Company Members were liable to contribute at 30 June 2025 if the Company was wound up was one hundred and eighty dollars (\$180).

Indemnification of Directors

During or since the financial year, the Company has paid premiums in respect of contracts insuring any past, present, or future Directors, Secretaries and other officers of the Company 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 Company 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 2025.

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 37 and forms part of this Directors' Report.

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

Maree O'Halloran

M O'Halloran, AM
Chair

Dated this 25th of September 2025
Sydney, NSW

Auditor's independence declaration



Ernst & Young
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Sydney NSW 2000 Australia
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Fax: +61 2 9248 5959
ey.com/au

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 2025, 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

Ernst & Young

Louise Burns

Louise Burns
Partner
Sydney
25 September 2025

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation



Elaine, Yvonne, John and Jean
Foundation Members of Teachers Health

Financial statements

Financial statements

For the year ended 30 June 2025.

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025	2024
		\$'000	\$'000
Insurance revenue	5	1,013,365	952,769
Insurance service expense – incurred claims		(927,104)	(855,127)
Insurance service expense – other insurance expenses	6	(117,853)	(89,074)
Insurance service result		(31,592)	8,568
Investment revenue	5	50,905	45,728
Total investment income		50,905	45,728
Net insurance and investment result		19,313	54,296
Other revenue	5	16,505	15,612
Other expenses	6	(16,431)	(14,900)
Finance costs	6	(604)	(721)
Profit before income tax for the year		18,783	54,287
Income tax expense		-	-
Profit for the year		18,783	54,287
Other comprehensive income – property revaluation that will not be reclassified subsequently to profit or loss	15	-	-
Total comprehensive income for the year		18,783	54,287

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

Consolidated statement of financial position

As at 30 June 2025

	Note	30 June 2025	30 June 2024
		\$'000	\$'000
Current assets			
Cash and cash equivalents	8	77,787	69,851
Trade and other receivables	12	8,821	10,479
Inventories	13	648	623
Financial assets	9	717,799	625,079
Other assets	14	782	944
Total current assets		805,837	706,976
Non-current assets			
Financial assets	9	32,795	72,000
Property, plant and equipment	15	20,223	20,382
Intangible assets	16	579	874
Right-of-use assets	17	1,843	16,838
Total non-current assets		55,440	110,094
Total assets		861,277	817,070
Current liabilities			
Trade and other payables	18	23,417	7,172
Insurance contract liabilities	7	206,721	181,562
Lease liabilities	17	571	3,034
Other provisions	19	11,884	11,122
Total current liabilities		242,593	202,890
Non-current liabilities			
Lease liabilities	17	1,408	16,236
Other provisions	19	4,210	3,661
Total non-current liabilities		5,618	19,897
Total liabilities		248,211	222,787
Net assets		613,066	594,283
Equity			
Reserves	11	11,886	11,886
Retained earnings		601,180	582,397
Total equity		613,066	594,283

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

Consolidated statement of changes in equity

For the year ended 30 June 2025

Note	Asset Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 30 June 2023	11,886	528,110	539,996
Profit for the year	-	54,287	54,287
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	54,287	54,287
Balance at 30 June 2024	11,886	582,397	594,283
Profit for the year	-	18,783	18,783
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	18,783	18,783
Balance at 30 June 2025	11,886	601,180	613,066

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

Consolidated statement of cash flows

For the year ended 30 June 2025

Note	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Receipts of premiums	1,022,958	958,422
Claims and levies paid	(911,481)	(828,276)
Other receipts from customers	15,320	15,602
Payments to suppliers and employees	(112,408)	(93,320)
Payments to customers	(58)	(55,445)
Interest and distributions received	35,615	26,749
Finance costs paid	(604)	(721)
Net cash inflow from operating activities8a	49,342	23,011
Cash flows from investing activities		
Movement in investments		
Proceeds	189,100	178,075
Purchases	(224,636)	(208,529)
Payments for intangibles	(42)	(908)
Payments for acquisitions	-	-
Payments for property, plant and equipment	(2,868)	(1,133)
Proceeds from sale of property, plant and equipment	154	14
Net cash (outflow) from investing activities	(38,292)	(32,481)
Cash flows from financing activities		
Payments for lease liabilities (principal element)	(3,114)	(2,811)
Net cash (outflow) from financing activities	(3,114)	(2,811)
Net change in cash and cash equivalents held	7,936	(12,281)
Cash and cash equivalents at beginning of financial year	69,851	82,132
Cash and cash equivalents at end of financial year8	77,787	69,851

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 2025

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 Company”) and its controlled entities (together comprising “the Group”). The Company, trading as Teachers Health, is a company limited by guarantee, incorporated and domiciled in Australia. The Company 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 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 Company applying not-for-profit sector specific requirements contained in Australian Accounting Standards.

The financial statements were authorised for issue by the Directors on 25th September 2025.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2025 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the Group. Further details of the Company’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 2025.

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 Company 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.

e) 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 not adopted any new accounting standards or revised any accounting standards.

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. An internal fair valuation is carried out each year that the property is not valued by an external independent valuer. The Group also reviews for indicators of impairment annually.

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.

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 71.

- 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 Company.

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.

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	2025	2024
	\$’000	\$’000
Insurance revenue	1,013,365	952,769
Other revenue	16,505	15,612
Distribution income	11,511	6,719
Interest income	21,415	21,582
Changes in the fair value of financial assets	17,979	17,427
Investment revenue	50,905	45,728
Total revenue	1,080,775	1,014,109

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	2025	2024
	\$'000	\$'000
Employee expenses	63,759	54,805
Depreciation and amortisation	4,017	6,613
Consultancy and professional fees	25,661	10,836
Marketing and publicity costs	8,773	6,444
Information technology expenses	14,971	10,195
Commission costs	3,804	1,308
Occupancy costs	2,519	2,420
Cost of goods sold	1,815	1,850
Administration and other expenses	8,965	9,503
Finance costs	604	721
Total expenses (excluding claims)	134,888	104,695
Insurance service expenses – other insurance expense	117,853	89,074
Other expenses	16,431	14,900
Finance costs	604	721
Total expenses (excluding claims)	134,888	104,695

7. Insurance contract 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.

a) 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.

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.

b) 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 – incurred claims 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.

c) 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 75% (2024: 70%).

The risk adjustment for the Liability for Incurred Claims of 10.5% (2024: 10.5%) 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 (2024: 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.

d) 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% (2024: 2%) 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

2025					
\$'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 2024	57,609	7,086	108,049	8,818	181,562
Net insurance contract liabilities as at 1 July 2024	57,609	7,086	108,049	8,818	181,562
Insurance revenue	(1,013,365)	–	–	–	(1,013,365)
Insurance service expenses					
Incurred claims and other expenses	–	(7,086)	1,035,525	8,308	1,036,747
Losses on onerous contracts and reversals of those losses	–	19,662	–	–	19,662
Changes to liabilities for incurred claims	–	–	(2,867)	(8,585)	(11,452)
Insurance service result	(1,013,365)	12,576	1,032,658	(277)	31,592
Total changes in the statement of comprehensive income	(1,013,365)	12,576	1,032,658	(277)	31,592
Cash flows					
Premiums received	1,022,958	–	–	–	1,022,958
Claims and other expenses paid	–	–	(1,007,656)	–	(1,007,656)
Total cash flows	1,022,958	–	(1,007,656)	–	15,302
Other movements	–	–	(21,735)	–	(21,735)
Net insurance contract liabilities as at 30 June 2025	67,202	19,662	111,316	8,541	206,721

Section 3: Investment portfolio and capital

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
Net insurance contract liabilities as at 1 July 2023	51,956	1,556	88,112	6,972	148,596
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)
Insurance service result	(952,769)	5,530	937,287	1,846	(8,106)
Total changes in the statement of comprehensive income	(952,769)	5,530	937,287	1,846	(8,106)
Cash flows					
Premiums received	958,422	-	-	-	958,422
Claims and other expenses paid	-	-	(907,562)	-	(907,562)
Total cash flows	958,422	-	(907,562)	-	50,860
Other movements	-	-	(9,788)	-	(9,788)
Net insurance contract liabilities as at 30 June 2024	57,609	7,086	108,049	8,818	181,562

8. Cash and cash equivalents	2025	2024
	\$'000	\$'000
Cash on hand	3	3
Cash at bank	77,784	69,848
Total cash and cash equivalents	77,787	69,851

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	2025	2024
	\$'000	\$'000
Profit for the year	18,783	54,287
- Depreciation and amortisation	4,017	6,613
- Net loss on disposal of property, plant and equipment	11	402
- Fair value losses/(gains) on investment trusts	(17,979)	(16,921)
Changes in operating assets and liabilities		
- (Increase) / decrease in trade and other receivables	1,658	(2,053)
- (Increase) / decrease in inventories	(25)	(13)
- Decrease in other assets	162	214
- Increase / (decrease) in trade and other payables	16,246	860
- Increase / (decrease) in other liabilities	1,311	(53,344)
- Increase / (decrease) in insurance contract liabilities	25,158	32,966
Net cash inflow from operating activities	49,342	23,011

9. Financial assets	2025	2024
	\$'000	\$'000
Term deposits, at fair value	329,563	401,563
Fixed income trusts, at fair value	214,841	148,800
Equity trusts, at fair value	142,654	100,559
Property and infrastructure trusts, at fair value	47,742	46,157
Fixed interest instruments, at amortised cost	15,794	-
Total financial assets	750,594	697,079

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 trusts, fixed income instruments at amortised cost, property and infrastructure trusts, accounts receivable, payables and lease liabilities. The Group is not a direct party to any derivative instruments at 30 June 2025 (2024: nil).

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 including term deposits that were designated as fair value at inception. 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 on initial recognition. 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 measured at amortised cost using the effective interest rate method on initial recognition.

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.

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.

2025	Level 1	Level 2	Level 3	Total
	\$’000	\$’000	\$’000	\$’000
Assets at fair value through profit or loss				
Term deposits	329,563	–	–	329,563
Equity trusts	–	142,654	–	142,654
Fixed income trusts	–	214,841	–	214,841
Property and infrastructure trusts	–	–	47,742	47,742
Total assets at fair value through profit or loss	329,563	357,495	47,742	734,800
Assets at fair value through other comprehensive income (OCI)				
Property in use	–	–	15,072	15,072
Total assets at fair value through OCI	–	–	15,072	15,072

2024	Level 1	Level 2	Level 3	Total
	\$’000	\$’000	\$’000	\$’000
Assets at fair value through profit or loss				
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
Total assets at fair value through profit or loss	401,563	249,359	46,157	697,079
Assets at fair value through other comprehensive income (OCI)				
Property in use	–	–	15,386	15,386
Total assets at fair value through OCI	–	–	15,386	15,386

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
	\$'000	\$'000
Balance as at 30 June 2023	15,700	42,532
Change in valuation of property in use for the period:		
– Additions	–	3,000
– Depreciation expenses	(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
Balance as at 30 June 2024	15,386	46,157
Change in valuation of property in use for the period:		
– Additions	–	–
– 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	–	1,585
Balance as at 30 June 2025	15,072	47,742

The Group holds land and buildings at fair value of \$15.1 million (2024: \$15.4 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 \$47.7 million (2024: \$46.2 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	2025	2024
	\$'000	\$'000
Net Assets	613,066	594,283
Regulatory Adjustments	18,174	7,676
Common Equity Tier 1 Capital	631,240	601,959
Additional Tier 1 & 2 Capital	–	–
Capital Base	631,240	601,959

Prescribed Capital Amount	2025	2024
	\$'000	\$'000
Insurance Risk Charge	176,701	131,418
Asset Risk Charge	97,861	76,830
Operational Risk Charge	20,267	19,055
Aggregation Benefit	(56,120)	(43,286)
Prescribed Capital Amount	238,709	184,017
Capital Adequacy Multiple	2.6	3.3

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 2025.

	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
2025	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	3.16%	77,787	–	–	77,787
Term deposits	5.13%	312,563	17,000	–	329,563
Fixed interest instruments	5.56%	–	2,034	13,760	15,794
Fixed income trusts	5.04%	214,841	–	–	214,841
Total interest–bearing financial assets		605,191	19,034	13,760	637,985
2024					
Financial assets					
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
Total interest–bearing financial assets		548,214	72,000	–	620,214

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.

Interest rate movement	2025		2024	
	+3.00%	–3.00%	+3.00%	–3.00%
	\$’000	\$’000	\$’000	\$’000
Impact on net result for the year	9,253	(9,253)	6,560	(6,560)
Impact on equity	9,253	(9,253)	6,560	(6,560)

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.

Equity price movement	2025		2024	
	+5.00%	–5.00%	+5.00%	–5.00%
	\$’000	\$’000	\$’000	\$’000
Impact on net result for the year	7,133	(7,133)	5,028	(5,028)
Impact on equity	7,133	(7,133)	5,028	(5,028)

Property and infrastructure assets price risk

The Group holds investments in property 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.

Real asset price movement	2025		2024	
	+5.00%	–5.00%	+5.00%	–5.00%
	\$’000	\$’000	\$’000	\$’000
Impact on net result for the year	2,387	(2,387)	2,308	(2,308)
Impact on equity	2,387	(2,387)	2,308	(2,308)

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, excluding any liability for incurred claims, which is reflected under insurance risk below.

Maturity analysis	Due < 1yr	Due 1 – 5yrs	Due >5 yrs	Total
2025	\$’000	\$’000	\$’000	\$’000
Financial assets — cash flows realisable				
Cash and cash equivalents	77,787	–	–	77,787
Investment income receivable	7,039	–	–	7,039
Term deposits	312,563	17,000	–	329,563
Fixed income instruments	–	2,034	13,761	15,795
Equity trusts	142,653	–	–	142,653
Fixed income trusts	214,841	–	–	214,841
Property and infrastructure trusts	–	47,742	–	47,742
Trade and other receivables	1,782	–	–	1,782
Total anticipated inflows	756,665	66,776	13,761	837,202
Financial liabilities — cash flows realisable				
Trade and other payables	23,417	–	–	23,417
Lease liabilities	571	1,408	–	1,979
Total anticipated outflows	23,988	1,408	–	25,396
Total undiscounted on financial instruments	732,677	65,368	13,761	811,806

Maturity analysis	Due < 1yr	Due 1 – 5yrs	No fixed date	Total
2024	\$’000	\$’000	\$’000	\$’000
Financial assets — cash flows realisable				
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
Total anticipated inflows	659,252	118,157	–	777,409
Financial liabilities — cash flows realisable				
Trade and other payables	7,172	–	–	7,172
Lease liabilities	3,034	16,236	–	19,270
Total anticipated outflows	10,206	16,236	–	26,442
Total undiscounted financial instruments	649,046	101,921	–	750,967

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
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	77,784	-	-	-	3	77,787
Investment income receivable	3,779	3,260	-	-	-	7,039
Term deposits	144,563	185,000	-	-	-	329,563
Fixed interest securities	-	15,794	-	-	-	15,794
Equity trusts	-	-	-	-	142,654	142,654
Fixed income trusts	98,294	53,593	28,064	2,269	32,621	214,841
Real assets trusts	646	17	-	-	47,079	47,742
Trade and other receivables	-	-	-	-	1,782	1,782
Total	325,066	257,664	28,064	2,269	224,139	837,202
% of total	38.83%	30.78%	3.35%	0.27%	26.77%	

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
Total	403,459	195,863	9,746	608	167,733	777,409
% of total	51.90%	25.19%	1.25%	0.08%	21.58%	

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 4.29% (2024: 6.12%) on the hospital and medical outstanding incurred claims. The claims handling expense allowance is 2.0% (2024: 2.0%) 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.

		2025		2024	
	Change in assumptions	Impact on profit (or loss) (\$'000)	Impact on equity (\$'000)	Impact on profit (or loss) (\$'000)	Impact on equity (\$'000)
Claims handling expense	+0.5%	(441)	(441)	(455)	(455)
Risk equalisation	+2%	(1,685)	(1,685)	(1,744)	(1,744)
Risk adjustment	+1%	(813)	(813)	(840)	(840)
Claims handling expense	-0.5%	441	441	455	455
Risk equalisation	-2%	1,685	1,685	1,744	1,744
Risk adjustment	-1%	813	813	840	840

b) Maturity profile

The following table summarises the maturity profile of portfolios of insurance contracts issued that are liabilities for the incurred claims 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.

2025			
\$'000			
Year	Up to 1 Year	1 – 2 years	Total
Health Insurance	108,897	2,419	111,316
2024			
\$'000			
Year	Up to 1 Year	1 – 2 years	Total
Health Insurance	105,835	2,214	108,049

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
Balance at 30 June 2023	11,886
Revaluation of property in use	-
Balance at 30 June 2024	11,886
Revaluation of property in use	-
Balance at 30 June 2025	11,886

Section 4: Other assets and liabilities

12. Trade and other receivables

	2025	2024
	\$'000	\$'000
Trade receivables	189	91
Investment income receivable	7,039	9,727
Other receivables	1,593	661
Total trade and other receivables	8,821	10,479

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

	2025	2024
	\$'000	\$'000
Prepayments	782	942
Other	-	2
Total other assets	782	944

15. Property, plant and equipment

Note	2025	2024
	\$'000	\$'000
Property in use		
At fair value (a)	15,700	15,700
Accumulated depreciation	(628)	(314)
Total property in use	15,072	15,386
Leasehold improvements		
At cost	15,583	15,149
Accumulated depreciation	(11,596)	(11,161)
Total leasehold improvements	3,987	3,988
Plant & equipment		
At cost	11,196	9,836
Accumulated depreciation	(10,032)	(8,828)
Total plant & equipment	1,164	1,008
Total property, plant and equipment	20,223	20,382

- 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. An internal fair valuation is carried out in each year that the property is not valued by an external independent valuer. The Group also reviews for indicators of impairment annually.

Movements in carrying amounts

	Property in use	Leasehold improvements	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2023	15,700	4,573	1,905	22,178
Additions	-	6	1,127	1,133
Disposals	-	(102)	(3)	(105)
Depreciation expense	(314)	(489)	(2,021)	(2,824)
Revaluation	-	-	-	-
Carrying amount at 30 June 2024	15,386	3,988	1,008	20,382
Additions	-	507	2,361	2,868
Disposals	-	(73)	(92)	(165)
Depreciation expense	(314)	(435)	(2,113)	(2,862)
Revaluation	-	-	-	-
Carrying amount at 30 June 2025	15,072	3,987	1,164	20,223

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.

Movements in carrying amount	Computer software	Other intangibles	Total
	\$’000	\$’000	\$’000
Carrying amount at 30 June 2023	216	311	527
Additions	908	–	908
Disposals	(311)	–	(311)
Amortisation expense	(159)	(91)	(250)
Carrying amount at 30 June 2024	654	220	874
Additions	42	–	42
Disposals	–	–	–
Amortisation expense	(246)	(91)	(337)
Carrying amount at 30 June 2025	450	129	579

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.

16. Intangible assets

	2025	2024
	\$’000	\$’000
Computer software		
Cost	3,294	3,360
Accumulated amortisation	(2,844)	(2,706)
Net carrying value	450	654
Other intangibles		
Cost	455	455
Accumulated amortisation	(326)	(235)
Net carrying value	129	220
Total intangible assets	579	874

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 Company’s right-of-use assets and lease liabilities in the Consolidated statement of financial position and the movements during the period.

	2025	2024
	\$’000	\$’000
Right-of-use assets		
Property	1,843	16,838
Lease liabilities		
Current	571	3,034
Non-current	1,408	16,236
Total lease liabilities	1,979	19,270

Movements in carrying amounts	Right-of-use assets	Lease liabilities
	\$'000	\$'000
Carrying amount at 30 June 2023	20,380	22,083
Additions	–	
Disposals	(2)	(2)
Depreciation expense	(3,540)	–
Interest expense	–	785
Payments	–	(3,596)
Carrying amount at 30 June 2024	16,838	19,270
Additions	1,028	1,028
Disposals	–	–
Depreciation expense ²	(3,566)	–
Termination of lease ¹	(12,457)	(15,205)
Interest expense	–	664
Payments	–	(3,778)
Carrying amount at 30 June 2025	1,843	1,979
¹ During the financial year, a new lease agreement was signed off for Tower A, 260 Elizabeth Street Sydney NSW. This new lease commences 1 November 2025 and terminates on 31 October 2035. Because management was reasonably certain that the option to extend the previous lease would be exercised, it calculated the right-of-use asset and lease liability on the basis the lease would terminate in 2029. The signing of the new lease ensures that the previous lease was terminated on the 30 June 2025. This resulted in the write down of both the right-of-use asset and lease liability.		
² Due to the termination of lease documented above, there was a one-off profit and loss adjustment of \$2.7 million entry included in this line item.		

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.

19. Other provisions	2025	2024
	\$'000	\$'000
Current		
Employee benefits	11,884	11,122
Member give-back payable	–	–
Total current provisions	11,884	11,122
Non-current		
Employee benefits	3,121	2,572
Make good on leased premises	1,089	1,089
Total non-current provisions	4,210	3,661

Movements in other provisions	Employee benefits	Member giveback	Make good on leased premises	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2023	11,594	55,445	1,089	68,128
Amounts used during the year	(4,873)	(55,445)	–	(60,318)
Amounts raised during the year	6,973	–	–	6,973
Balance at 30 June 2024	13,694	–	1,089	14,783
Amounts used during the year	(6,473)	–	–	(6,473)
Amounts raised during the year	7,784	–	–	7,784
Balance at 30 June 2025	15,005	–	1,089	16,094

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

In 2023, the Group announced a COVID-19 package to assist members and maintain its stance of not profiting during the pandemic. This package was paid out in the previous financial year.

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.

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	
			2025	2024
Teachers Federation Health Foundation Pty Ltd ⁽¹⁾	Australia	Trustee for foundation, funding and promoting medical research	100%	100%
Teachers Healthcare Services Pty Ltd ⁽²⁾	Australia	Broader health cover services of care coordination	0%	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:

	2025	2024
	\$'000	\$'000
Statement of financial position		
Current assets	805,837	706,976
Total assets	861,277	817,070
Current liabilities	242,593	202,890
Total liabilities	248,211	222,787
Reserves	11,886	11,886
Retained earnings	601,180	582,397
Total equity	613,066	594,283
Statement of profit or loss or other comprehensive income		
Profit for the year	18,783	54,733
Other comprehensive income	-	-
Total comprehensive income	18,783	54,733

21. Related party transactions

The key management personnel compensation included within employee expenses is:

	2025	2024
	\$	\$
Short-term employee benefits		
Salary and fees	6,578,661	4,400,721
Other benefits	127,368	342,043
	6,706,029	4,742,764
Post-employment benefits		
Superannuation	302,044	259,552
Total key management personnel compensation	7,008,073	5,002,316

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

	2025	2024
	\$	\$
Fees paid or payable to Ernst & Young as auditor of the Group:		
– Audit of annual financial reports	203,320	200,860
– Audit or review of other regulatory requirements	100,780	115,910
Total auditor’s remuneration	304,100	316,770

23. Commitments and contingent liabilities

The Group had contingent liabilities at 30 June 2025 in respect of bank guarantees backed by term deposits, issued in respect of premises leases of \$2,562,674 (2024: \$2,562,674).

24. Significant events after the reporting period

On 1 July 2025, Teachers Federation Health Ltd officially merged with Queensland Teachers Union Health Fund Limited (TUH). This arrangement was entered into under section 33 of the Private Health Insurance (Prudential Supervision) Act 2015. Under the arrangement, all TUH assets are transferred to and are now part of the Group and all TUH

liabilities are assumed by, and are now the responsibility of the Group. All employees on the effective date, being 1 July 2025, became employees of the Group. Teachers Federation Health Ltd appointed three Queensland specialist directors who were formally TUH directors, effective 1 July 2025. As a result of this merger, from 1 July 2025, it is estimated that the net assets of the Group will increase by \$172.8 million to \$785.9 million.

25. New accounting standards for application in future periods

On 14 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

Consolidated entity disclosure statement as at 30 June 2025

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

Directors' declaration

The Directors of Teachers Federation Health Ltd declare that:

- The consolidated financial statements and notes, as set out on pages 40 to 68, are in accordance with the Corporations Act 2001 and:
 - comply with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - give a true and fair view of the Group's financial position as at 30 June 2025 and of the performance for the year ended on that date.
- 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.
- 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 25th day of September 2025
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 2025, 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:

- Giving a true and fair view of the consolidated financial position as of 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- 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.

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.

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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 scepticism throughout the audit. We also:

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

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Ernst & Young

Louise Burns
Partner
Sydney
25 September 2025

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Teachers Federation Health Ltd is a signatory to the Private Health Insurance Code of Conduct
Teachers Federation Health Ltd. ABN 86 097 030 414. A Registered Private Health Insurer.